

A spider is  
coming to get you



Now shooting on the  
streets of Sarajevo

Section Two, Cover Story

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الجامعة

John Walsh: pity  
poor Irvine Welsh

Section Two, Living



# THE INDEPENDENT

3.018

THURSDAY 20 JUNE 1996



46p (UK 45p)

## After British bravado comes a hasty retreat

John Major yesterday gave way to the inevitable and, having enjoyed four weeks' defiant bravado, prepared to swing into hasty retreat and accept a Brussels beef package that delivered none of his initial demands.

The scene was set last night for the British Prime Minister to go to Florence for this weekend's European Union summit, drop his confrontational policy of non-co-operation, and swallow a "mad cow disease" plan that included an increased cull of 67,000 cattle.

While Tory backbenchers seemed ready to follow Mr

Major's lead into headlong retreat, there was no certainty last night that all the EU partners would be so amenable. It is still possible that the deal could come unstuck, leaving Mr Major impaled until another emergency summit can be staged, possibly in Dublin.

The latest peace package is based on a cull of cattle born in 1989, but there were indications in Brussels last night that the Germans were leading a backlash, supported by Austria, Holland and Portugal, in favour of pushing that back even further to 1988. Given the fragility of

Tory support, that could push the deal out of court.

But Robin Cook, the shadow Foreign Secretary, said last night: "This is a massive climb-down. The Government has settled for a piece of paper which contains no dates and no guarantees."

Faced with the extra' call, there were some signs of dissent in the Tory ranks. Paul Massey, the MP for Gloucestershire West and chairman of the Tory backbench agriculture committee, said: "We haven't come all this way to let it down. It

would be very, very difficult to

By Anthony Bevins, John Lichfield and Katherine Butler

get this through the Commons." But the sceptic former Chancellor, Norman Lamont, said it was time for the Tories to "knuckle down" in the run-up to the general election. His Eurosceptic colleague, Sir Ted Taylor, said: "We have had this movement from Europe, and the general view is that the British Prime Minister, placed in a difficulty, has a sensible solution."

In the tradition of all EU set-

EU governments has, in the meantime, caused unquantifiable damage to Britain's standing in Europe.

If all goes as planned, Mr Major will have his "framework" for the gradual, step by step lifting of the export ban on British beef, something which was not on the table when he started his policy of non-co-operation with the EU four weeks ago. He will not be forced publicly to disavow that policy before he gets a deal.

But the Government yesterday agreed to pile up to another 67,000 "at risk" animals on

to the bonfire of British cattle (something it had previously refused to do). There will be no specific timetable for the resumption of Britain's beef trade. The embargo on British beef sales to non-EU countries will not be lifted before the rest of the ban.

The beef restrictions will be lifted in stages. The European Commission, three specialist committees and a majority of EU governments will have to be satisfied at each stage that Britain is enforcing its new proposals for eradicating BSE and assuring the safety of British beef exports. None of that was on the table three weeks ago. We have it now."

## Parties plan for snap October poll



Andrew Marr

Political leaders are quietly preparing for the possibility of an October election, called without warning by John Major as MPs returned from their summer break. It would be an extraordinary gamble. Grey-haired opinion remains firmly against it. But the possibility that Downing Street is contemplating such a *coup de theatre* is now being taken seriously.

The Prime Minister would have to convince colleagues that the danger of a winter of political decay is worse than the danger of taking on Tony Blair, so far ahead in the polls. Up to now, John Major has seemed firmly committed to a spring 1997 election. But a mixture of bad political news on the horizon and intense frustration beyond Tory disloyalty may be beginning to change his mind.

One reason being discussed at Westminster is economic. Government borrowing figures make it clear that the Chancellor's room for manoeuvre in the Budget will be very small. The consumer recovery is beginning to feel real, and is likely to continue through the summer. But beyond that, the autumn promise may be greater than the spring reality.

No one can be sure how long the boomlet can be safely maintained. Meanwhile, the other two big political issues – Northern Ireland and the EU – are likely to produce more bad news for Mr Major over the winter.

Unless the atmosphere in Northern Ireland quickly improves, the Conservatives will come under strong pressure from the Unionists for the reintroduction of internment. Ministers seem likely to refuse, and relations with their only Westminster allies will worsen.

This affects Mr Major's handling of beef and the European question too, since his tiny and crumbling majority is vulnerable to an Opposition alliance in Parliament that includes the Unionists and Tory Euro-rebels. An inglorious, if sensible, armistice in the beef war reinforces the point that anti-European politics is a dangerous game which leaves him open to right-wing ambush. On the other side, it has been deeply depressed

some senior pro-European ministers, whose loyalty can no longer be counted on.

The final aspects of the October case are more personal. Mr Major remains livid about the antics of right-wingers as they manoeuvre for leadership of the party after the defeat they expect. According to one MP, he used the words "mad cow" while privately railing at Baroness Thatcher's funding of Bill Cash's European Foundation.

Thus far, this year, he has botched up his frustration and plugged on. But we should remember that, for an allegedly boring man, he has a taste for political drama. Last summer, he stepped down as party leader in order to force a contest with the right. We haven't had the 1996 melodrama yet.

None of this means that he will go this autumn. Mr Major doesn't believe that Labour's poll lead is a true reflection of how it would perform in a real election, but he would need some sign of a pro-Tory trend to take such a gamble.

Yet if he believes that returning to Westminster for a winter session may involve further motions of no confidence, defections and rebellions, a disappointing Budget and another few months of leadership manoeuvring by the right – is it really worth hanging on?

All that is sure is the thought of an October poll has begun to fire Westminster imaginations. Tory conversations are already advanced about whether or not they would be better to cancel the party conference season by firing the starting-gun in late September, or use their own conference as a campaign springboard. The joke has been it all depends on England winning Euro 96. What has changed is that is no longer entirely a joke.



Is it a Dutch football fan? Is it a Conservative Euro-sceptic? No, it is a flying monk: 25 soldier monks from the Chinese monastery will be performing their art of kung fu at London's Royal Albert Hall tonight and tomorrow. The shows, which follow four nationwide, feature an iron bar being broken over a monk's head.

Photograph: Linus Moran

## All cars to get pollution warning lights

NICHOLAS SCHOON  
Environment Correspondent

All new vehicles will have a light on their dashboard to warn drivers when their cars are producing too much pollution.

The warning system, which will be compulsory by 2000 and will add between £200 and £400 to the price of new cars, has been agreed by the European Commission.

The aim is to cut the main types of air pollutant from vehicles by 60 to 70 per cent over the next 15 years, even while the total number of cars, buses and lorries in the European Union continues to rise.

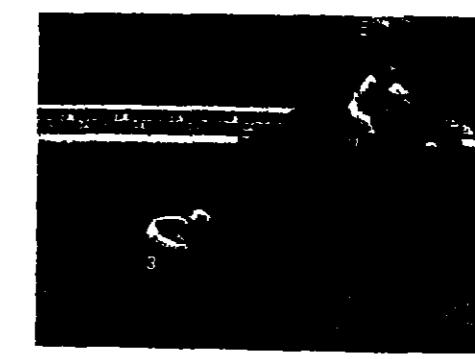
Cars will need equipment which senses whether emissions are within legal limits by continuously checking the engine and catalytic converter. If the warning light glows, the

driver will be under a legal obligation to right the problem – although the nature of the legislation will be left to the individual EU states.

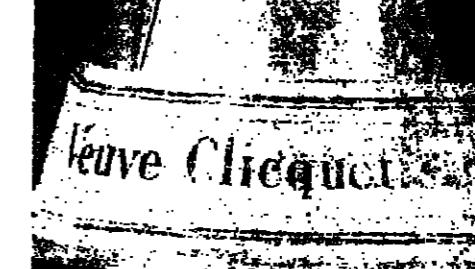
The package of proposals also includes phasing out leaded petrol by 2000 and changes in the composition of petrol and diesel to make them less "cleaner". It was agreed this week after more than a year of negotiations with the oil and vehicle-manufacturing

companies, and months of argument within the commission itself.

Britain's Society of Motor Manufacturers and Traders gave a grudging approval for the package, having played a part in negotiating it. "The commission has set targets which are rather challenging, and meeting them is going to be expensive," said its head of policy, Mike Hollingsworth.

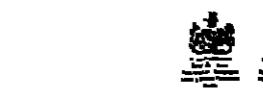


WINNER BY A HEAD



WINNER BY A NECK

ROYAL ASCOT	10-12 June
END CORNWALL TEST MATCH v INDIA, LORD'S	20-21 June
GARSINGTON OPERS	20 June-14 July
WIMBLEDON TENNIS CHAMPIONSHIPS	24 June-7 July
ROUND THE ISLAND RACE, ISLE OF WIGHT	29 June
VEUE CLICQUOT GOLD CUP POLO, GODDARD PARK	29 June-21 July
HENLEY ROYAL REGATTA	3-7 July
HAMPTON COURT PALACE INTERNATIONAL FLOWER SHOW	9-14 July
BENSON & HEDGES CUP FINAL, LORD'S	19 July
GLOUCESTERSHIRE FAIR	30 July-3 August



Veuve Clicquot  
CHAMPAGNE OF THE SEASON



# England: A rubbish drunken football team\*

STEVE BOGGAN

There was a spring in the step of Englishmen and women everywhere yesterday after the success of their no-hope, drunken, burn-out football team.

While generous amounts of humble pie were guzzled by the pundits, the rest of the country was enjoying that most rare of pleasures, a thumping great win over Holland and the prospect of more to come.

For weeks, during drunken binges in Hong Kong and in-flight television-smashing exploits, we had been drilled to expect the worst. "A Bunch of Has-Beens Show up a Bunch of Wannabes," roared the *Daily Mail* after England's 1-0 victory over a drab Hong Kong team in the run-up to Euro '96.

Then there were the pictures of Paul Gascoigne, Teddy Sheringham and Steve McManaman that worse for drink their shirts torn in a Hong Kong bar. Worse still were pictures of Gascoigne and Sheringham strapped into the bar's antique dentist's chair while booze was poured down their throats.

That, coupled with England's 1-1 draw with Switzerland on the opening day of the tournament, gave the pundits enough rope - and one or two duly hanged themselves.

The commentator who has

the most difficult task of justifying what he writes is the *Mail's* Jeff Powell. He dared say what other pundits may have been thinking after the Switzerland match - that Gazza was unfit and should be dropped.

Under the headline "Gazza must Go... the Guzzler drives up to leave coach Venables no option", he wrote: "England must sting out Paul Gascoigne on his earning. They must devise a way to play without this playboy relic of what once might have been a great playmaker."

He was unavailable for comment yesterday, but in his column, under the headline "The best since 1966", he wrote:

"Gazza, perhaps inevitably, wore the broadest smile of all... This, not the isolated flash of goal-scoring genius against Scotland, was his full match redemption."

But a football critic's life is not easy, and so Mr Powell was not alone. John Sadler, writing under a *Sun* strapline reading

\*At least that's what they said until yesterday

tainty aren't relaxing yet, with 20 matches out of 31 over, we're delighted."

The reason for that, a new kind of international camaraderie, was in evidence during a brief, drunken encounter in the West End of London after the Holland match on Tuesday.

Sitting on a kerb were three supporters from England, Holland and Scotland with their arms around each other.

These were the nationalities the police had worried about, and yet here they were drunken, happy and sad in unison. The Englishman was apologising to the Dutchman for the 4-1 defeat, and the latter was in turn apologising to the Scotsman for taking their place in the quarter-finals.

The *Daily Mirror* has already walked humbly past. After victory over the Scots last Saturday, and in the wake of a blistering editorial referring to "sporting morons", it ran a front page "apology" to Gascoigne on Monday.

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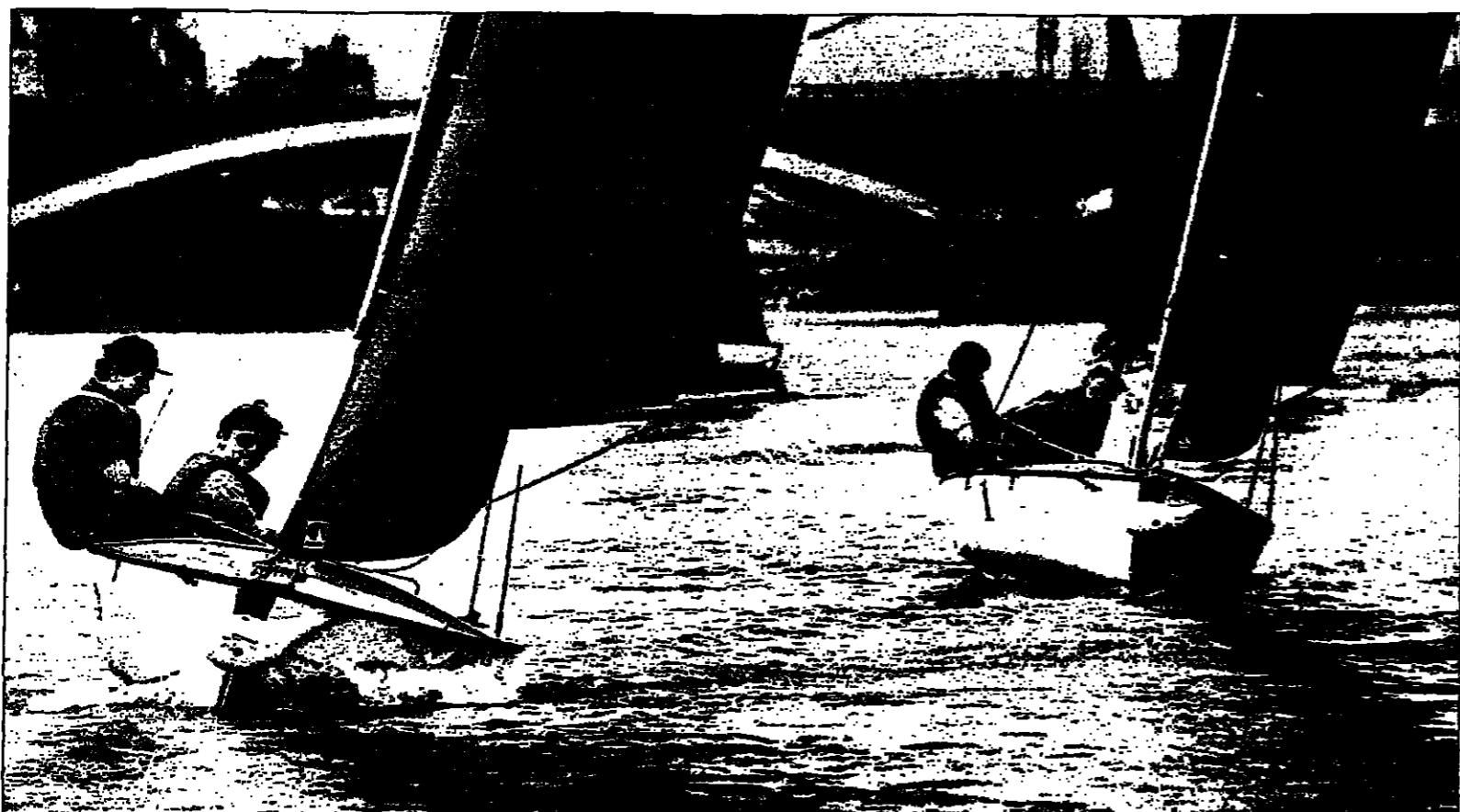
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## politics



Members of the Lords and Commons yesterday competing in their annual yacht race on the Thames

Photograph: Tom Pilston

## Goldsmith finds an unlikely ally in Labour rebel

JOHN RENTOUK  
Political Correspondent

Peter Shore, a former Labour Cabinet minister, yesterday backed the threat by Sir James Goldsmith to put up candidates at the next election against his own party.

Sir James has threatened to challenge both Labour and Tory MPs who fail to support a referendum on Britain's membership of the European Union - although so far it is the Tories who have felt the heat most.

Mr Shore, Labour's most senior Euro-sceptic, is standing down at the election, but his support for a rival political party will irritate Labour leaders and is a breach of party rules.

Last week a 78-strong Tory

rebellion in the Commons over Sir James's demand for a "full" referendum was overshadowed by a row over his financial support for rebel leader Bill Cash.

Mr Cash was forced to renounce future contributions from Goldsmith funds.

Sir James launches an attempt to woo Labour's Eurosceptics today, which could spell trouble for Tony Blair of the kind which John Major has suffered at the hands of a man who has declared his willingness to spend £20m promoting his views in the run-up to the election.

Sir James has given a strategically-timed interview to the left-wing, Euro-sceptic *Tribune* newspaper today. In it he says that he is not in favour of Britain pulling out of the EU, but that Britain should try to "split Europe" in order to block a "federal state". Withdrawal "would be a bad thing for Britain" because it would then be "an island off a German-united continent", but Britain should "insist on a Europe of nations and go in there and fight for it. It has to either convert or split Europe", he says.

He insists that his single-issue Referendum Party "is neither of the left nor the right. It simply exists for that stated purpose. And if the left is interested in some of my ideas, that is all well and good".

Mr Shore, chairman of the Labour Euro-Safeguards Campaign, said: "It is very important that the British people should have a referendum, and the influence of the Referendum Party is the pressure they are putting on the political parties." Of his implied support for candidates other than official Labour candidates, he said: "I'm not recommending such people, but I think it is a very good idea that the people of this country have a referendum."

Sir James's Referendum Party, which demands a referendum on more than just a single European currency, has taken a series of full-page newspaper advertisements recently, has employed a polling company to carry out opinion research and is planning a full-scale party conference in Brighton in October.

A spokesman for Sir James said he might offer financial support to Labour Eurosceptics but Mr Shore said the Euro-Safeguards Campaign had "emphatically not" been offered or accepted funds from Sir James, and nor would it.



## Howard's way on crime: Police, Camera, Action



DAVID AARONOVITCH

Last month, some judge or other excised the chattering classes by attacking the Home Secretary in the House of Lords.

This chap (Taylor? Naylor? Something like that) used his retirement speech to suggest that Michael Howard's new proposals for sentencing (three strikes and you're out, life for burglars, the cat for car-thieves) hadn't been properly thought through. Anyway, the usual big fuse ensued and the Government decided to clear the air - you know, take the criticism head-on - with a debate.

But three or four weeks elapsed and he has had a lot on his mind, so it is hard to blame the Home Secretary for not actually referring to the Lord Chief Justice's critique at all in his excellent speech yesterday.

Someone who has the awesome responsibility of framing laws to protect the law-abiding, while ensuring the rule of justice, cannot be expected to deal with every complaint or pedantic legalism raised by the judiciary.

And while the accusations

that the Home Secretary should remember that he is not addressing a Conservative Party Conference", Labour MP Donald Anderson complained to the Speaker. "I am sure that the Home Secretary knows exactly where he is", said Betty, offering a rare compliment to a minister she clearly admires.

But the ever-smiling Mr Howard did not have it all his own way. His assault on Mr Straw's advocacy of curfews for 10-year-olds founded slightly when it was revealed that the president of the Police Chief Inspector's Association, Brian Mackenzie, had declared himself "delighted" with the proposal.

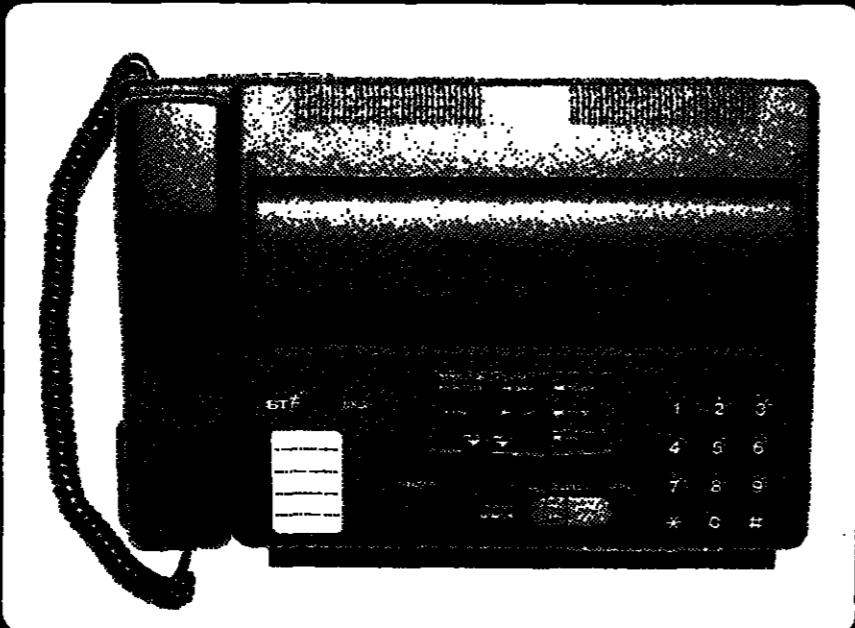
This was a blow. In the modern debate about crime and punishment, the motto of both sides is "Police, Camera, Action" - find out what the police want, make sure the cameras are there, and announce some action. If Brian Mackenzie is for it, Mr Howard must have been thinking, how can I be against?

As the Home Secretary came towards the end of his speech Plaid Cymru MP Elin Jones made a last attempt to remind him of Lord Taylor's objections. He was pushed aside by a democratic politician who believes in government responding to popular feeling.

The strength of this belief was indicated in his rebuttal of the Taylorian views of the Liberal Democrat Alex Carlile. "I warn the honourable gentleman", said Mr Howard, "that his parliamentary candidates will regret his remarks even if he doesn't."

So there you are - Police, Camera, Action ... Election.

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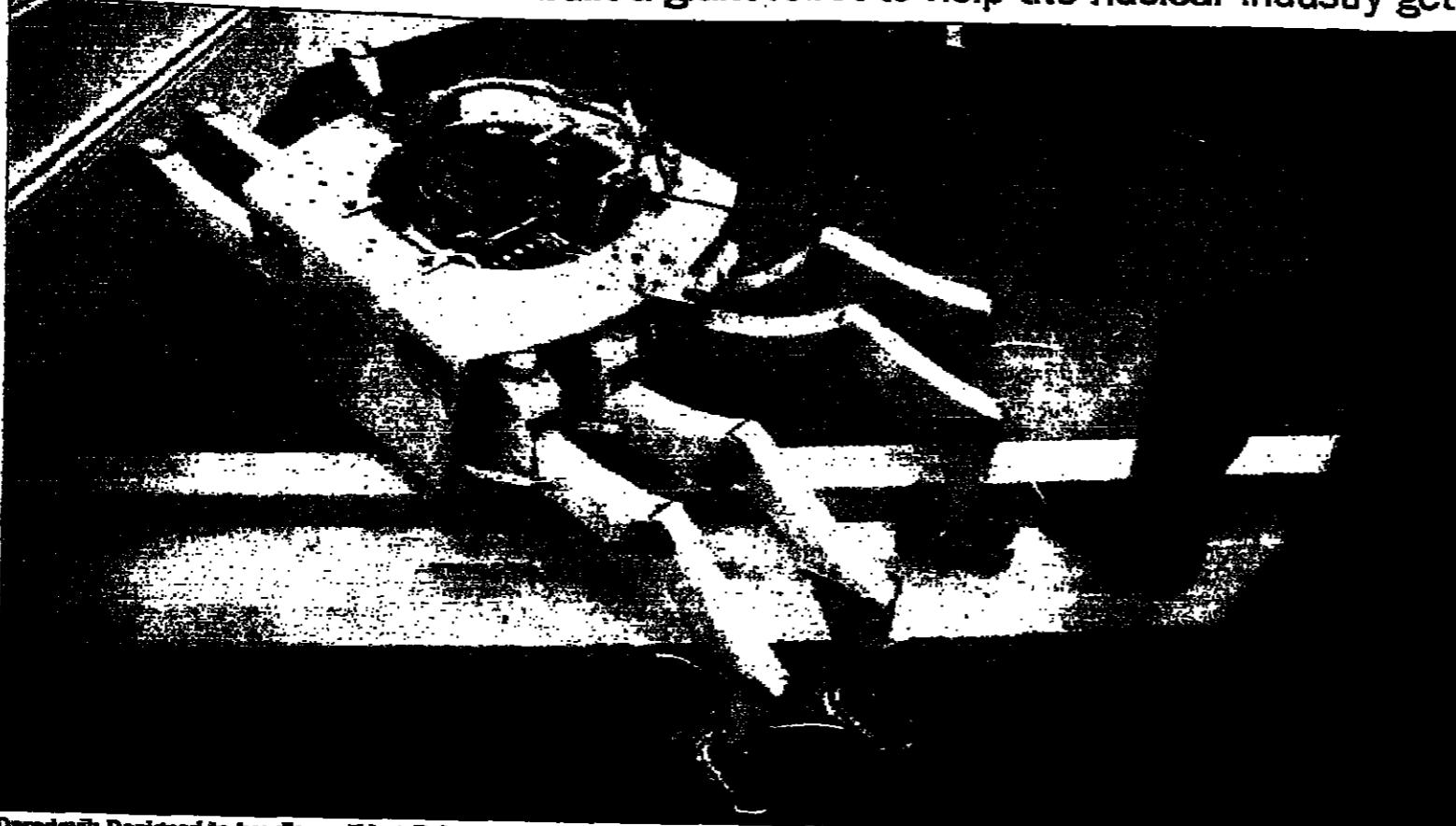
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صداقة الامان

**Robug 3:** Scientists have built a giant robot to help the nuclear industry get injured workers out of hazardous environments



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## 25-year cover-up of victims in care

ROGER DOBSON

A secret report on the brutal regime at a children's school in North Wales reveals that boys were being abused as long ago as the 1960s.

Boys were regularly kicked, punched, thrown, kneed and viciously beaten by named staff members at the Bryn Estyn school according to an unpublished Home Office tribunal report. In one case, two boys were whipped from head to toe, and one needed medical treatment.

Fourteen workers at the home gave evidence to the tribunal but their report – completed in February 1971 – was never published. It is believed that only a handful of copies of the 255-page dossier exist.

A copy obtained by the *Independent*, established that abuse at Bryn Estyn went on for more than 30 years and started long before the abuse that led to the 1991 police investigation.

Until now, it had been thought that most of the abuse in North Wales was confined to the late 1970s and 1980s. But the emergence of this latest report shows that physical abuse was widespread in the 1960s.

Bryn Estyn was run as a residential school until the mid-1970s when it became a children's home. Children at the home were subjected to widespread physical and sexual abuse in the 1970s and 1980s.

Witnesses gave evidence to the tribunal of boys being punched by a named officer in the head and the stomach and then kicked across the room.

One another occasion, a boy was kicked and punched and thrown against a wash-basin. Another staff witness said, "Mr [X] had canes in both hands and

then proceeded to lash both boys from head to toe. Each of the canes was broken into little pieces."

When one alleged perpetrator was quizzed by the eight-strong committee of inquiry about why he had beaten up a boy rather than use a cane, he blamed a shortage of canes.

"There was a post-strike on and we hadn't applied for any more canes. The canes come from the Home Office in threes you see. I had forgotten the fact that the canes were broken. I must say that the Home Office doesn't supply good quality canes. These were so dry that when they were used they splintered into small pieces."

It is understood that no one was prosecuted as a result of the inquiry. All copies of the reports and evidence were recalled.

The report was the first of 15 investigations in abuse of children in residential establishments in North Wales, none of which have been published.

The latest official inquiry into the sexual abuse of children in care in Croydon – to be headed by Sir Ronald Waterhouse, a judge of the Queen's Bench Division – has been blocked by the Labour MP, Ann Clwyd, who fears it will create a "wall of silence" and prevent public debate on the scandal.

Among the issues she is most anxious to raise are allegations made in the Silings Report, publication of which was suppressed earlier this year for fear of libel. These included the pressure exerted by the council's insurance company to suppress the report, and the refusal of North Wales police to accept help from an outside force, despite allegations local police had been linked to the abusers.

### DAILY POEM

#### Carcass of Sheep in Fork of Dead Tree

By John Kinsella

A set up. The carcass slung over a fork in a dead tree, the line-of-sight unbroken from shearing shed, perfect for high-powered rifles with telescopic lenses luring predators. You see, certain birds think nothing of rotting sheep climbing dead trees. Nor, at a later date, when the ribcage has become the staves of an ark stranded by flood, of a photographer convincing his subject to sit naked beneath the wreckage, the grey branches – side stretched such that the nipple closest to the camera becomes as sharp as the eye – a bullet.

John Kinsella was born in Perth, Western Australia in 1963. One of a new generation of Australian poets, he has recently been awarded one of the inaugural Young Australian Creative Fellowships for "outstanding artistic contribution to the nation". Kinsella's preoccupations are, as Len Murray has noted, the "smugglers of rural Australia", uncleaning landscapes, punishing extremes of weather, and the mutual struggle for survival of man and the natural world. *The Underworld: New and Selected Poems* is published by Arc at £7.95.

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## news



Dolly mixture: A collection of German bisque dolls' heads from around 1910 forming part of a large sale of toys, dolls and biscuit tins at Sotheby's in Billingshurst, West Sussex, today. This boxed group is expected to fetch £350-450

Photograph: Andrew Hasson

## Scott 'misled' over licence for arms to Iraq

ANTHONY BEVINS  
Political Editor

Lord Justice Scott was misled by Portillo during an investigation into allegations that Royal Ordnance exported arms-related equipment and material to Iraq and Iran.

Michael Portillo, Secretary of State for Defence, has disclosed that after an eight-month trawl of more than 1,000 Royal Ordnance export licence applications, it has become clear that the company was uniquely exempt from normal legal requirements after the Government sold it off to British Aerospace in 1987.

According to Mr Portillo, the company did not provide "supporting documentation" when submitting applications for export licences.

But February's Scott report into the export of defence-related equipment to Iraq said that after Royal Ordnance had been

incorporated in August 1984 – in preparation for privatisation – with Michael Heseltine, then Secretary of State for Defence, as sole shareholder – it became subject to the ordinary export licensing regime". For good measure, the judge added: "This obviously continued after its sale to British Aerospace."

A letter Mr Portillo sent last week to Labour frontbencher Stephen Byers – in response to a letter from Mr Byers last October – shows that both those statements were false.

Mr Byers suspects Mr Portillo could be putting the knife into Mr Heseltine, the Deputy Prime Minister, who made a sensational Commons statement a year ago on an arms company,

BMARC, and export licensing irregularities that allowed a division of arms-related equipment to Iran. Jonathan Aitken, then Chief Secretary to the Treasury, had been a BMARC director and Mr Heseltine's dismissals left him open to embarrassment, but a Commons Select Committee investigation is expected to clear him of any impropriety, or knowledge, in a report to be published tomorrow.

Mr Byers told the *Independent* yesterday that Mr Portillo's revelations will embarrass Mr Heseltine because of his direct responsibility for Royal Ordnance before he walked out of Margaret Thatcher's Cabinet in January 1986. Both Aitken and Portillo are close, politically. Revenge is a dish best eaten cold, and this could be it.

He also said: "This statement raises a lot of questions for Heseltine; what did he know about this in 1985-86? Did he turn a blind eye... and as sole shareholder how did he exercise his responsibilities?"

Mr Portillo said in his letter that while Royal Ordnance had asked to continue its exemption from export licensing rules – like government-owned International Military Sales and the Crown Agents – there was no record of that being agreed.

But, he added: "It would appear from the relative absence of supporting documentation among the export licence applications that some arrangement must also have been agreed in respect of Royal Ordnance."

He also said there was no evidence RO knew of any diversion of their goods to Iran. But he was careful not to clear them of all doubt, saying: "However, the possibility that a third party diverted RO goods without RO's knowledge cannot be excluded."

## Union chief is gagged over 'fat cat' deals

BARRIE CLEMENT  
Labour Editor

Union "fat cats" who stand to receive huge severance payments worth up to £500,000 have issued an order that their senior colleagues must keep quiet about the controversy.

The ruling executive of the Amalgamated Engineering and Electrical Union, which awarded themselves the "golden goodbyes", has instructed Dave Hall, the union's newly-elected president, not to speak to the press about the severance package. He is the only member of the powerful national committee who will not benefit from the arrangement.

While Mr Hall yesterday refused to comment on the gagging order, sources close to the union said the AEEU's members would be furious that a democratically-elected president with a 24,000-vote majority had been prevented from speaking.

The severance deal, revealed on Monday by the *Independent*, has led to growing concern among members of all shades of political opinion about the leadership of the union. The latest issue of the *Engineering Gazette*, a journal produced by left-wing AEEU activists, argues that the union is being "fractured beyond repair".

Under the early retirement package agreed two years ago, the £40,000-a-year executive members can opt to leave the union 10 years early on the equivalent of full pay. On leaving they would also receive lump sums of up to £50,000 and be allowed to keep their BMW and Rover cars, worth more than £20,000. At 65 they would draw a full pension.

The deal was worked out to reduce the executive council from 22 members to nine, following the merger of the engineers' and electricians' unions to form the AEEU four years ago.

The executive has so far been reduced to 13 with Sir Gavin Laird, former general secretary, among the beneficiaries of the retirement terms. Ken Jackson, the union's right-wing general secretary and one of the executive members who could opt to take early retirement, has said that details of the arrangements would be disclosed in the annual report which is due to be published soon.

While leftist elements in the union are the most vociferous critics of the "hammers" – as they are known by executive members – both left and right-wingers on the ruling council stand to benefit.

Jimmy Airlie, a left-winger who is expected to retire later this year when he is 60, will be the first executive member to face activists following the revelations. Mr Airlie is due to address shop stewards from the shipbuilding industry who are meeting today and tomorrow in Tynemouth.

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A GUIDE TO WINNING

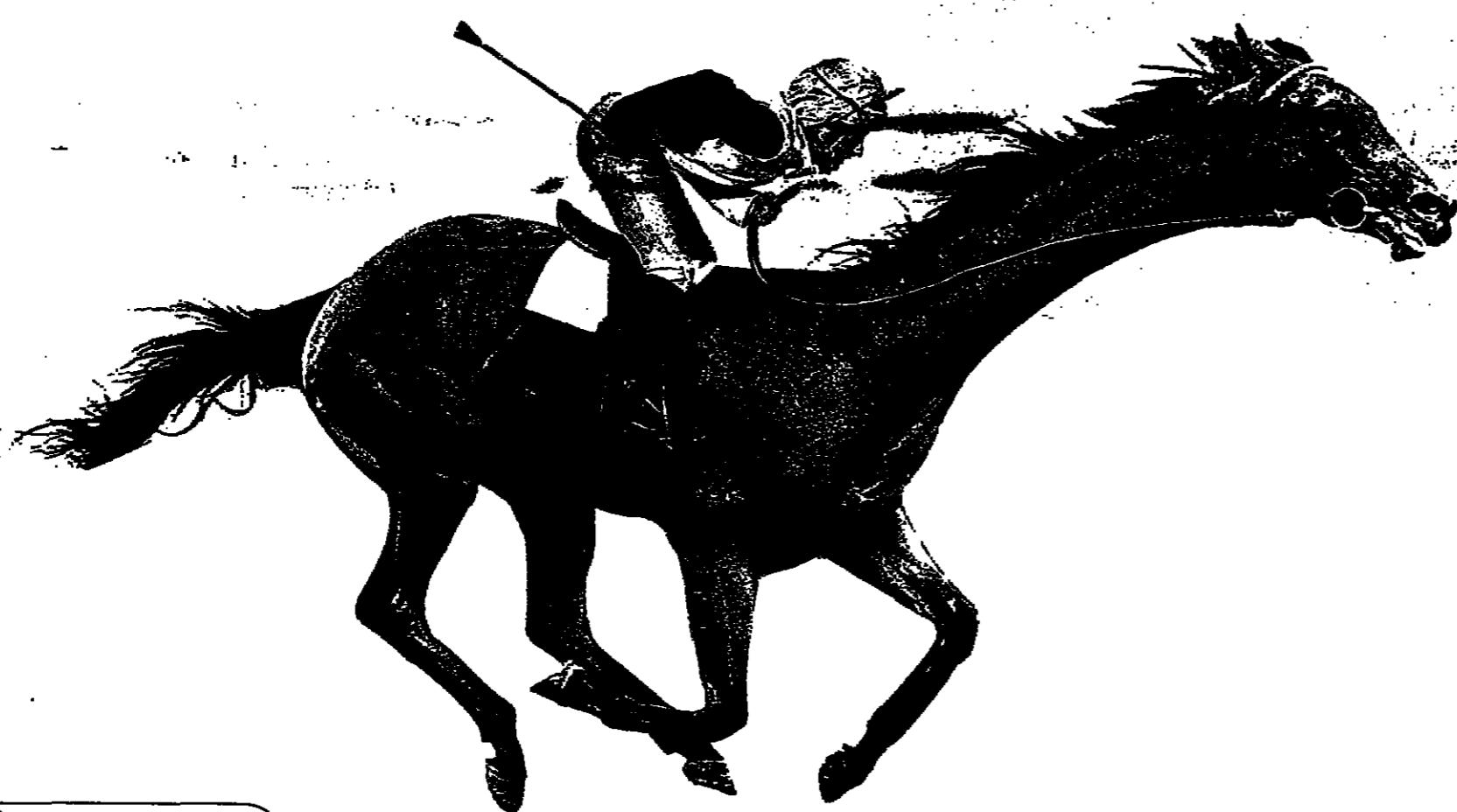


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The four artists shortlisted for the Turner Prize (clockwise from the left): Craigie Horsfield, Douglas Gordon, Gary Hume and Simon Patterson. Examples of their work submitted for the prize are (clockwise from the left) Horsfield's painting, Gordon's film, Hume's photograph and Patterson's installation pieces.

**£20,000 award plays safe with choice of art but risks row over artists' sex, reports David Lister**

With one artist whose work includes a 24-hour showing of Hitchcock's *Psycho* slowed to two frames second, and another who claims that painting can no longer engage with reality, this year's Turner Prize shortlist clings to its usual arena of controversy.

But the judges may inadvertently have created a larger controversy by cocking a snook at "shortlist correctness" and selecting a four-strong shortlist for the £20,000 prize which does not include any women.

Nicholas Serota, director of the Tate Gallery and chairman of the judges, said he and his colleagues were "surprised" when they realised there were no women on the list. Many women artists were producing impressive work and had been considered, he said.

"It may be that there was no single manifestation by a woman artist that quite caught the imagination of the jury. We didn't want to include someone just as a token made to some category, like under-25s or whatever." It is the first time in 10 years that the jury has selected an all-male shortlist. Some critics are already viewing the list as a "safe" one, which, if nothing else, shows that it is now accepted as the unremarkable norm for film, photography and installation pieces to represent the best of contemporary art.

The shortlist was denounced by Brian Sewell, art critic of the London *Evening Standard*. He said: "If the Turner Prize is trying to commit suicide by boring the pants off us, it is going the right way about it. These four are nobodies. They are not outrageously or a slap-in-the-face or whatever else Tate director Nicholas Serota wants to tell us, they are plain damned dull and boring."

The Glasgow-born artist Douglas Gordon, 29, produces work exploring memory and perception. His 24-hour *Psycho*, in which Alfred Hitchcock's thriller was projected on to an overhanging screen and slowed down to two frames a second, is intended to "destabilise the established meaning of films".

The photographer Craigie Horsfield, 46, turned to film and

photography following his "dissatisfaction with contemporary painting's lack of engagement with reality". He chooses his works from hundreds of black and white negatives, including uneasy portraits of his wife, Ava. Horsfield claims we cannot live a moral life without acknowledging our fellow humans. "The acceptance of the other is probably the starting point of an ethical world," he said.

Gary Hume, 34, came to notice with a series of 30 apparently abstract paintings which were based on hospital doors. According to the Turner judges, "Hume had also recognised the potential of a subject hardly explored before in painting, and one not without resonance – to pass through the swing doors in a hospital might well be to pass from life to death..." Hume has since branched out into more recognisable images, including a portrait of the DJ Tony Blackburn.

Simon Patterson, 29, takes familiar systems like the London Underground map and subverts them, for instance by replacing station names with those of great philosophers or inventors. This process of displacement and contradiction is said to upset established functions and rationales.

William Hill bookmakers yesterday declared Patterson the 6-4 favourite for the prize.

Mr Serota said: "There are a relatively small number of British galleries that are in a position to mount substantial shows of modern art. In the 1960s David Hockney's work could be seen at a major exhibition in Manchester but local authorities no longer have the resources. I think that it means the British public is failing to be given opportunity to see the work of British artists."

But the public remained keen to see contemporary art, he maintained, and the doors of the Tate sometimes had to be closed at weekends last autumn because of the huge number of visitors to be Turner Prize exhibition.

The exhibition will be mounted from 29 October to 12 January and the winner will be announced live on Channel 4 on 26 November.

## Finance chief at Royal Opera quits

JOJO MOYES

The planned redevelopment of the Royal Opera House was thrown into turmoil yesterday with the news that the institution is losing key figures from its finance department.

Finance director Clive Timms, 47, has resigned "for personal reasons", and the ROH is about to lose its head of finance, David Pilcher, who has been made redundant.

The departures coincide with one of the most turbulent points of the London opera house's history, just as it is about to start a redevelopment that, including its travelling costs, will cost a total of £213m.

The ROH, which became the centre of a controversy when it was promised £78m in lottery grants, has to raise an equivalent amount through sponsorship from businesses and individuals to qualify for the award.

A spokeswoman yesterday said that she could not say how

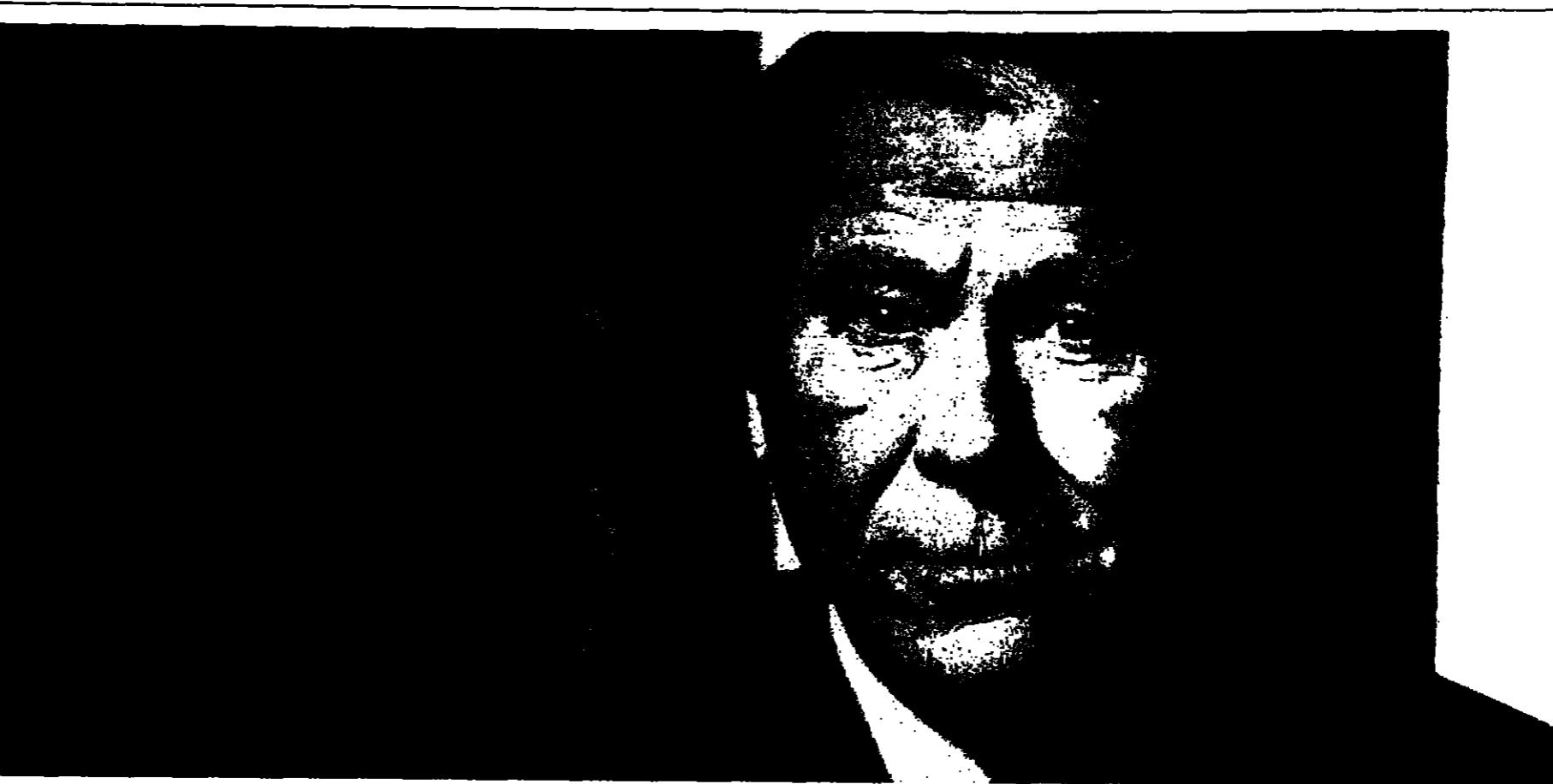
the resignations would affect the institution's fundraising plans. "I think until we have information on the structure of the finance department after Clive Timms, it really is difficult to comment," she said.

Although she would not comment on the reasons behind his departure, Mr Timms' resignation is said to have followed an internal row over the ROH's projected budget for 1997-98, which the Arts Council proposed should be cut back by about £3m.

The ROH's current problems have been made more pressing because building work on the redevelopment has already been started.

The House is due to close during the summer next year, and is still attempting to finalise its plans for its first year as a travelling house.

The ROH will be setting up in a temporary home in London, probably at the Barbican Centre, and the Royal Ballet will be touring.



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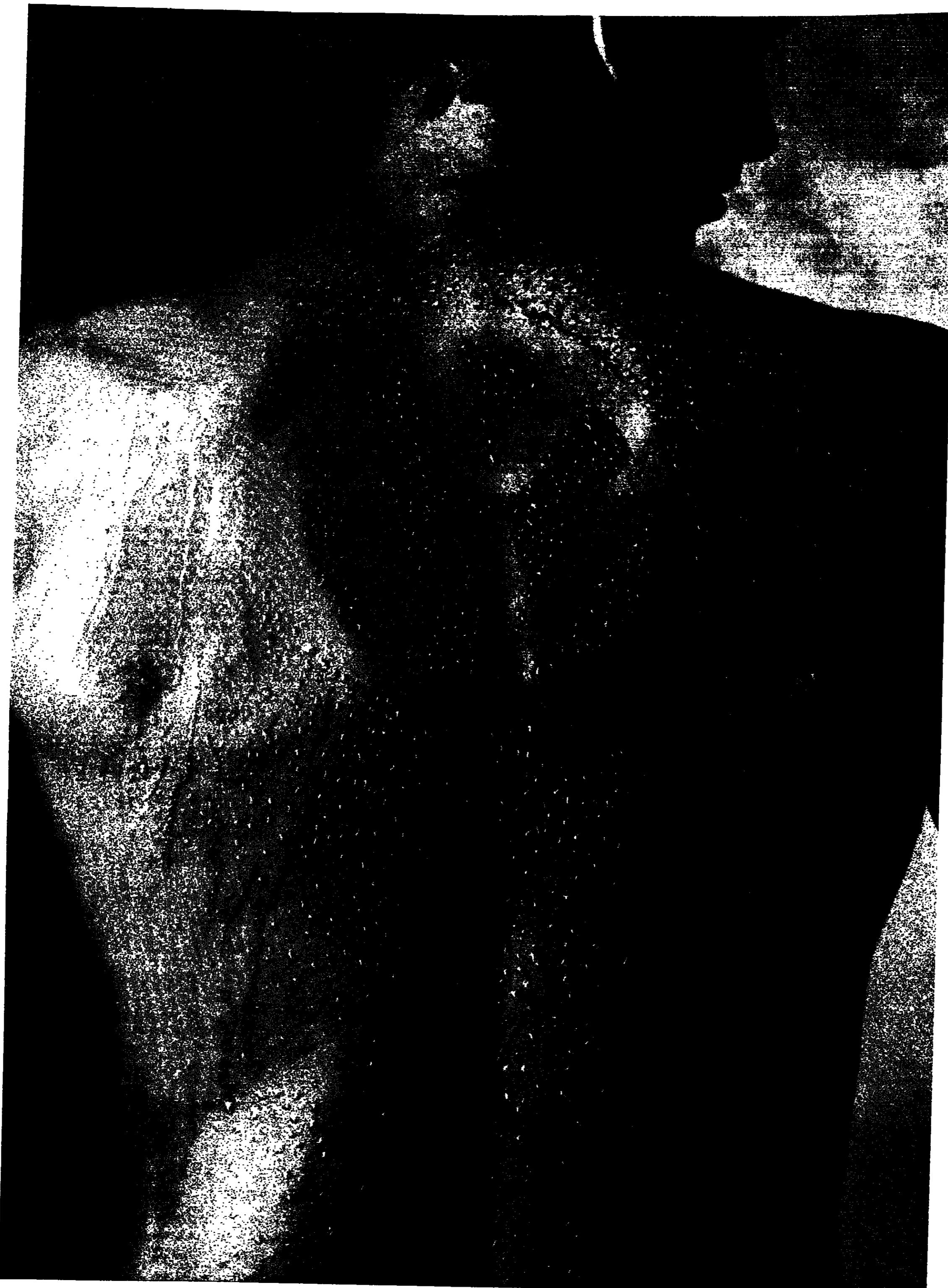
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## international

# Naval blockade lifts in Adriatic

But efforts to stop a Balkan arms race will carry on,  
**Christopher Bellamy** reports

The naval blockade of the former Yugoslavia was suspended yesterday following the UN decision on Tuesday to end the arms embargo after four and a half years. Nato's Southern Command yesterday said that "Nato and WEU ships will no longer challenge, board or divert ships in the Adriatic".

The combined forces of Nato and the Western European Union will disperse but be available if sanctions are re-imposed.

In theory, there could now be a massive influx of arms to Bosnia, Croatia and the Federal Republic of Yugoslavia (Serbia and Montenegro), although senior military and diplomatic sources yesterday said that they thought this would be unlikely, and that the peace implementation force, I-For, will continue to monitor all entry points.

The former warring factions agreed limits on armaments at last week's review conference in Florence. But the limits only refer to numbers of different types of weapons and will not prevent factions replacing old weapons with new ones.

The joint Nato and WEU naval blockade - Operation "Sharp Guard" - began three years ago, on 15 June, although Nato and WEU forces had been patrolling separately since November 1992. Until yesterday 18 warships from 11 countries were involved, including two - HMS *Nottingham* and HMS *Campbelltown* - from Britain. Combined Task Force 440 was commanded by Admiral Mario Angeli of Italy, who also had eight maritime patrol aircraft available for searching for blockade runners.

Yesterday Nato said: "Enforcement operations have been suspended but operation Sharp Guard has not been terminated. Nato and WEU forces



Patrol on watch: With the possibility of an arms build-up following withdrawal by the Western forces, I-For soldiers, like these at the US checkpoint in the Bosnian city of Brodo, will continue to monitor entry points to the former Yugoslavia

Photograph: AFP

will be prepared to resume enforcement operations if economic sanctions are reimposed."

Since December 1992, the Nato and WEU forces have challenged more than 73,000 ships, boarded and inspected almost 6,000 at sea, and diverted 1,500 to ports for inspection. Only six vessels were found to be carrying arms in violation of UN Security Council resolutions. Most of the arms which found their way into the former Yugoslavia came by land, but Nato officials claim that the

maritime blockade had a major effect in preventing escalation of the conflict.

Preventing a build-up of arms now depends on the former warring factions' compliance with the agreed totals, and on the ability of I-For and observers from the Organisation for Security and Co-operation in Europe (OSCE) to monitor what is going on. The Florence agreement limits heavy weapons in the same way as the Conventional Forces in Europe Treaty, affecting tanks, artillery, ar-

moured combat vehicles, aircraft and helicopters.

Within Bosnia-Herzegovina, the Muslim-Croat Federation is allowed twice as many heavy weapons as the Bosnian Serbs, while rump Yugoslavia is allowed a similar advantage over Croatia. Much of the equipment is old, however, and diplomatic sources yesterday said they could not rule out its replacement with new, high-technology weapons.

The arms limits do not apply to equipment such as small

arms, and hand-held anti-tank and anti-aircraft weapons, the type of weapons that the poorly trained local forces could most easily assimilate. The restrictions do not apply either to crucial components of military equipment such as radios, which made such a difference to the Croatian offensives in the Krajina last summer.

While the present implementation force remains in Bosnia, no European Union country will supply weapons to any of the countries affected by the agreement. The US has said it will provide training but not weapons. However, one block to massive re-armament is the simple fact that the former warring factions are broke.

■ Bonn - A German soldier in

Croatia was shot in the leg while travelling in an army vehicle, but not seriously hurt,

*Reuter* reports. He was Germany's first peacekeeper to be shot in Croatia. Germany has about 2,700 soldiers in Croatia supporting the NATO-led peacekeeping force in Bosnia.

## UN clash with Iraq 'worst since Gulf war'

DAVID USBORNE  
New York

The diplomatic stand-off between Iraq and the United Nations worsened yesterday when a senior UN official arrived in Baghdad in the hope of mediating a solution only to be met by a barrage of criticism that branded him a "liar" and a "murdering cowboy".

Rolf Ekkeus, the UN's chief weapons inspector, was dispatched to Iraq by the UN Security Council to try to resolve the latest crisis, which has been termed by officials in New York

the most serious since the Gulf War. "This is of a higher order than any we have had before," a diplomat said yesterday.

The confrontation arose last week when Iraq banned UN inspection teams from entering several sites in and around Baghdad suspected of holding material linked to a weapons programme. A UN trade embargo against Iraq instituted after the Gulf war can only be lifted once Iraq has proved it has abandoned all its programmes to build weapons of mass destruction.

There have been several skirmishes over recent years when Iraq has tried to impede the work of the inspectors. Most have been fairly quickly resolved, however. "The inspectors were simply told last week that the sites were off limits and that is the first time that has happened," the diplomat confirmed.

The Security Council reprimanded Baghdad twice last week and has demanded that full access for the inspectors be restored. Iraq meanwhile is claiming that entry to the sites in question would constitute a violation of national sovereignty. Mr Ekkeus, who has the task

of judging when, if ever, Iraq is finally free of weapons programmes, was met yesterday by a blitz of hostile comment in the Iraqi media. Particularly violent was a so-called "open letter to Ekkeus", in the daily newspaper, *Al-Jumhuriyah*.

"Mr Ekkeus, you know that we know that you are a liar and that is why you dare not look Iraqi negotiators in the eye," it declared. "You want to enter sensitive sites that are symbols of our national sovereignty, which means that you are deliberately trying to humiliate the people of Iraq with the impudence only

found in a murdering cowboy".

Mr Ekkeus is not alone in suffering such arrows. Over recent months the Iraqi media has been the vehicle for repeated attacks against Britain and the United States, perceived in Baghdad as determined enemies of Iraq and the prime defenders of the post-Gulf war sanctions against it. In one such outburst recently, the US Ambassador to the UN, Madeleine Albright, was dismissed as "impudent" and a "blabbermouth".

Mr Ekkeus is expected to remain in Iraq for talks with government officials at least until Saturday. He will then return to New York to brief the Security Council. Diplomats concede that no strategy has yet been agreed for action against Iraq, if the Ekkeus mission is a failure.

But the council has been united in countering the latest Iraqi manoeuvres. Both a statement and a resolution condemning Baghdad last week were passed unanimously. In previous discussions about Iraqi sanctions, several council members, including China, Russia and even France, have displayed a greater sympathy towards Baghdad than Britain or the US.

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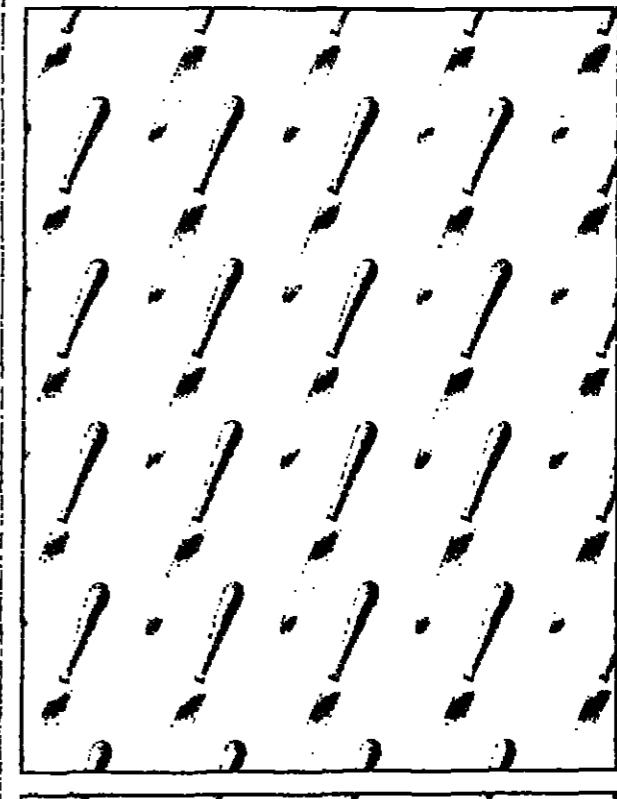
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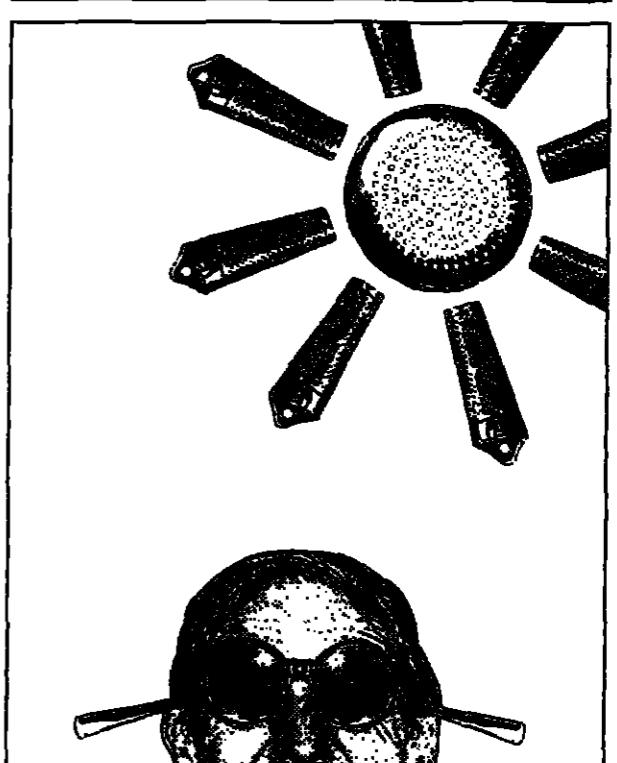
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# international

## Clinton seeks to defuse files controversy

RUPERT CORNWELL  
Washington

Battered by Whitewater and still enmeshed in "Travelgate," the Clinton Administration yesterday tried to defuse the separate but perilous controversy over purloined FBI files by naming a career bureaucrat to head a revamped White House office to supervise the use of such sensitive material.

The move came as Congress opened new hearings into what has been dubbed "Filegate" — the mystery over how and why White House political operatives in 1993 and 1994 sought and obtained confidential FBI background files on more than 400 people, some of them prominent Republicans, purportedly to "update lists" of people with access to the White House.

The new security chief will be Charles Easley, a Reagan-era appointee picked to avoid the slightest hint of partisanship. As a further safeguard, the White House said, anyone whose file could be needed will henceforth have to give written consent before it can even be requested from the FBI.

But this latest exercise in damage control had little impact on Capitol Hill where a Republican-controlled House Committee began hearings into the incident, tailored to cause maximum election year discomfort for the Clinton camp. "Was this part of a larger pattern to compromise the FBI?" thundered the committee chairman, William Clinger of Pennsylvania, as he opened proceedings, "or part of an all-too-familiar pattern of incompetence and incredibly mismanaged record-keeping?"

The latter, insists President Bill Clinton, who has described the incident as a "straightforward bureaucratic snafu." However, subsequent revelations cast doubt on that assertion. Far from being a petty bureaucrat,

Craig Livingstone, the official who sought the files, was a battle-hardened Clinton campaign operative. Anthony Marcera, the aide who actually obtained them, transpires to have been not a humble Pentagon clerk on temporary secondment — as the White House said initially — but a lifelong Democratic Party worker.

To the intense relief of the White House, the fiasco will not be coming under the scrutiny of the White House special counsel, Kenneth Starr, who told the Justice Department this week that he lacked jurisdiction to carry out the investigation.

Far more than raucous Republicans on Capitol Hill, or the continuing fuss over the sacking of the White House travel office in 1993, it is Mr Starr's relentless digging in Little Rock and Washington that poses the real threat to the Clintons: possible criminal charges against several of their close aides and, in the very worst case, indictment of the First Lady, Hillary Clinton, for perjury or obstruction of justice.

Only yesterday for instance,



Burning bright: David Randall, left, and Gary Grant of the New York Knicks basketball team bearing the Olympic torch through Times Square. Photograph: AFP

## Nazi past burns a hole in Olympic myth

DAVID USBORNE  
New York

It was Monday at 3.09pm that the Olympic caravan appeared over the brow of the hill and slowly proceeded into our town of Cos Cob, Connecticut.

School had finished early and it seemed every soul that lives here was lining the road. Finally, beyond the floats, the police

cruisers and television vans, a flickering flame came into view and collectively we drew in our breath in awe.

This was our day in the glow of the Olympic torch that has been winding its way since 27 April from Los Angeles through the United States on its way to Atlanta for the opening next month of the summer games. It is a giant relay over 15,000 miles and through 42 states, with thousands of runners bearing it for a few fractions of

a mile before passing it onto the next one. "Look, look, there it is," one excited mother gushed to her child. "That is history. Doesn't it give you the chills?"

A "mother flame" was ignited from the sun's rays passed through a magnifying lens on Mount Olympus in Greece on 30 March. And on every night of the relay, that flame is placed in a guarded hotel room (always a Holiday Inn, a relay sponsor). The unabashed commercialism of the parade hardly disturbs us — no fewer than 10,000 of these torches have been made to allow every participant to take them home to their mantelpieces so long as they are willing to pay \$275 (£180).

What moves these crowds — and will undoubtedly move

President Bill Clinton when he receives the flame at the White

House tomorrow — is the sense

of connection: to a universal symbol of peace and to a thread of world history that stretches back to amateur competition in honour of Zeus in Greece several centuries before the birth of Christ. And so we gasp. What we most certainly do not think of is Adolf Hitler and the



Olympic rings: Invented for Riefenstahl propaganda film

July-August issue of the US periodical, *Archaeology Magazine*. Among the misconceptions noted by the professor is the notion that the torch relay has ancient origins.

That was dreamed up by a German named Carl Diem. The professor writes that Diem, who organised the 1936 Berlin games for the Fuhrer, "seeks to glamourise them with an ancient aura, staged the first lighting of the Olympic Flame, now a hallowed ritual in which thousands delight". Indeed. He adds that the first torches were made by the Krupp Company, which was otherwise occupied in making munitions for Hitler.

The professor also dispels us of our illusions about the five-ring logo of the games. They were invented by the founder of the modern Olympics, the Frenchman, Baron Pierre de Coubertin, for whom each ring

represented a continent of the globe (the Americas being only one). For years, according to the professor, learned books sourced the logo to an inscription of the rings found on a rock at Delphi in Greece. "The books identify it as ancient and later adopted as the symbol of the Olympics" and are "considered by experts to be 3,000 years old". More nonsense.

Most of Florida, however, was stunned, saying the ruling showed bias because of Blades' Florida background, fame and fortune, and would encourage youths — especially in Miami's crime-ridden black ghettos — to settle disputes with guns. "An outrageous ruling," screamed a *Miami Herald* editorial. "Surely it will be reversed". The judge is nicknamed "Let 'Em Go Lebow" because of her lenient decisions.

The court had heard the footballer's chauffeur describe how, after an apparent drunken argument with his cousin, Brian Blades came back to his waiting limousine outside the relative's home to get a gun and return to the house.

In a call to emergency services afterwards, and in testimony, Brian Blades said the gun had gone off by accident.



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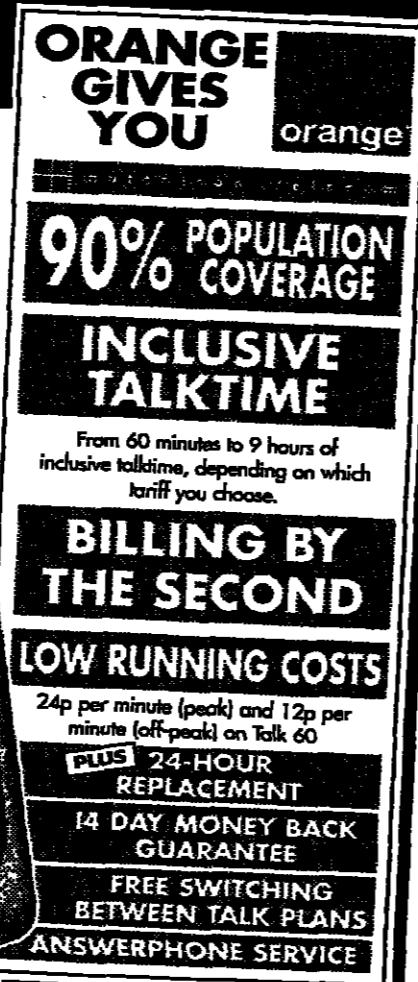
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PHIL DAVISON

# Russia's Communists seek coalition deal

The Russian Communist leader, Gennady Zyuganov, yesterday sought to increase his vote before the run-off in the presidential elections while also hinting that he might be willing to do a deal with President Boris Yeltsin.

In an effort to recruit voters from beyond the core of his party faithful, Mr Zyuganov promised to form a coalition government which would include representatives from every strata of society, including officials working in Mr Yeltsin's administration.

After months of being portrayed as a die-hard revolutionary by the Kremlin's publicity machine, he also explicitly distanced himself from his party roots by saying that he and his Communist-nationalist bloc never sought to rebuild Communism in Russia.

In recent months, Mr Zyuganov has increasingly spoken about forming a "government of people's trust" but yesterday he stressed its all-encompassing character by arguing that it would be neither Communist nor nationalist, but a cross-section of all Russia.

"We will be engaged with everyone," he said yesterday.

"No one can go alone in Russia today. There are those who backed Yeltsin; there are those who backed [Alexander] Lebed."



Zyuganov: 'No one can go alone in Russia today'

Zyuganov wants to build bridges ahead of the election run-off, writes Phil Reeves in Moscow

The only way out is to form a coalition government, and to develop a clear-cut programme, a legislature that permanently controls the executive branch, and greater responsibility for executives at every branch."

On Sunday, he won about 23.6 million votes, some 2.3 million less than Mr Yeltsin and roughly half a million less than the Communist-nationalist vote in December's parliamentary elections. To break the 50 per cent barrier in the run-off, he needs to attract up to 15 million more voters – unless the turnout drops sharply from last Sunday's 70 per cent.

Although he stands a reasonable chance of winning some votes from the ultra-nationalist Vladimir Zhirinovsky (who got 4.3 million) and General Lebed's 11 million electorate, he faces a huge task. This may explain the signs that he is beginning to blink as the final show-down approaches.

Yesterday Mr Zyuganov seemed to acknowledge the possibility of defeat by saying that "whoever comes to power must realise that a single political force cannot manage alone", but will be "obliged to express the actual political sentiments of the people". At the same time, he refused to rule out the possibility of accepting the post of prime minister were Mr Yeltsin to offer it – suggesting that he is open to doing a deal with the Kremlin.

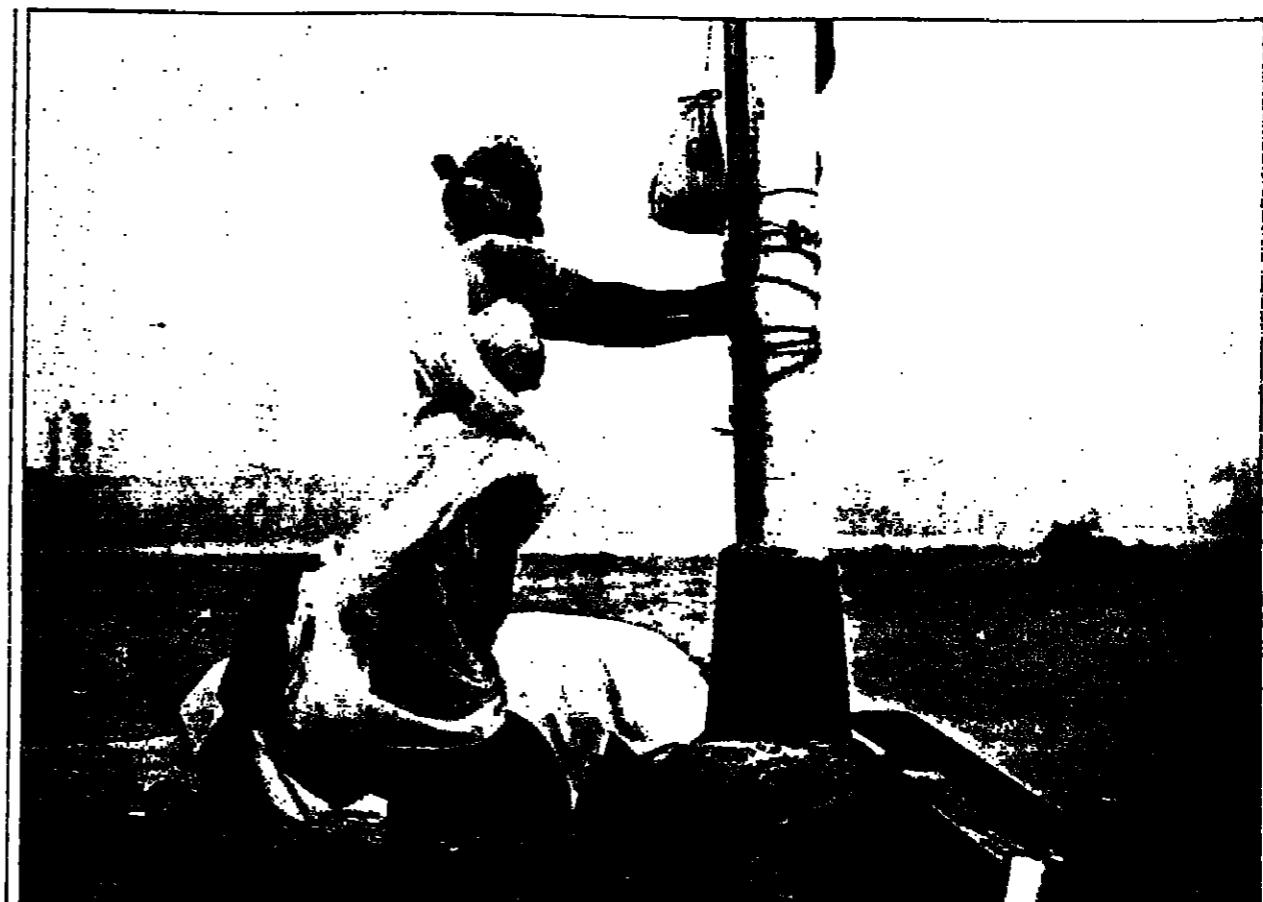
Whether Mr Yeltsin, who has mounted an increasingly anti-communist campaign, would entertain such any kind of deal with Mr Zyuganov is a different matter. On Tuesday he successfully concluded a pact with General Lebed whom he appointed

secretary of the all-powerful Security Council and national security adviser after the retired general came third.

It is far from certain that this manoeuvre, which also included sacking the unpopular Defence Minister, Pavel Grachev, will mean that the majority of Lebed voters will go to Mr Yeltsin. But it is none the less a setback for Mr Zyuganov. Yesterday the Communist leader met General Lebed, but appeared to emerge empty-handed.

The risk of a low turn-out is increased by a host of factors: many Russians leave on holiday on 1 July; there is a weariness with elections; up to 5 million students, who lean towards Mr Yeltsin, also go on vacation soon and will be even less inclined to vote than usual.

Wind city: Radhabal Salunkhe, 80, holding on to a lamppost against a fierce gale yesterday as Bombay was hit by the edge of India's latest cyclone, which has torn across Gujarat and killed at least two people. Photograph: AP



## SIGNIFICANT SHORTS

**B**inyamin Netanyahu, Israel's new Prime Minister, used his first Cabinet meeting yesterday to strip the wings of his defence and finance ministers and concentrate strategic policy-making in his own hands on the American presidential model. He announced the establishment of a National Security Council and an Economic Advisory Council, both reporting directly to the Prime Minister.

Yesterday's initiatives were designed to restore Mr Netanyahu's credibility after the soap opera of his inauguration on Tuesday night. He struggled for five hours to persuade his old Likud rival, David Levy, to take the Foreign Ministry portfolio, and to find a job for the ex-Defence Minister, Ariel Sharon.

In the end Mr Levy was sworn in and Mr Sharon was offered a hastily-cobbled new Ministry of National Infrastructure. By last night, he had still not accepted it. Eric Silver – Jerusalem

**T**he German cabinet approved a package of measures which for the will allow police to bug private homes to investigate serious crimes. The agreement marked the end of years of wrangling between Chancellor Helmut Kohl's Christian Democrats and his liberal coalition partners, the Free Democrats (FDP), who initially resisted what they saw as an infringement of civil liberty. Reuter – Bonn

**A** Spanish man lost both legs when a car-bomb meant for someone else exploded in the northern city of San Sebastian. Santiago Lizeta, who works at the Basque employers' organisation Ades, was moving the car of the firm's secretary-general inside a garage when the device went off. The attack bore the hallmarks of the Basque separatist rebels, Eta. Reuter – San Sebastian

**A**s clouds from New Zealand's Mount Ruapehu volcano caused more havoc for airlines and forced doctors to summon a rescue flight from Australia to evacuate a critically ill patient. Plans to fly the 19-year-old woman out via Auckland, New Zealand's biggest airport, were scrapped on Tuesday when ash clouds forced the cancellation of all overnight flights to and from the northern city. Reuter – Wellington

**A** rocket attack by bandits on a tourist taxi travelling to the Angkor temples has left two Germans injured and emphasised the increasing dangers for foreigners in Cambodia. AP – Phnom Penh

**A** former top opposition politician denied charges that he spied for East Germany for nearly two decades. Karl Wiesner, 70, once a prominent Social Democratic member of parliament, told a Dusseldorf state court he found out only after the Communists' state collapsed that one of his contacts there had worked for the Stasi secret police. AP – Dusseldorf

**T**he sect accused of the Tokyo subway gas attack has transferred leadership from guru Shoko Asahara to his two sons, in the face of a threat of being outlawed by the Japanese government. The boys, whose names and ages have not been released, will take over from their father as "spiritual leaders", acting cult chief Tatsuo Muraoka said. The move by Aum Shinri Kyo comes before a hearing tomorrow to decide whether to outlaw the sect. Reuter – Tokyo

**A** bear discovered the corpse of a victim of an April aircraft crash in the snow-covered mountains of Russia's Far East. The Il-76 cargo plane had 21 people on board when it crashed on the remote Kamchatka peninsula on 5 April. Rescue workers had found the bodies of 13 of the 21 passengers.

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## international

# China fears a backlash from reform's new jobless

At 3pm each afternoon, Zhang Yuzhi parks her tricycle cart on a busy street in east Peking, perches on her stool, and waits hopefully for customers to rummage through the mound of cheap vests and longjohns she has brought for sale.

"It is really difficult," she sighs. "But I am one of the lucky ones. There are still a lot of people who do not have any work at all."

A year ago, Ms Zhang, 35, was one of about 500 employees – about a third of the workforce – at Peking's Number 2 Knitwear Factory "sent home" because of the dire financial situation at the overmanned enterprise. Since their expulsion the "resting" employees have received a monthly subsistence "wage" of just 170 yuan (£13.60) from the factory, a sum that is by no means enough to live on.

Workers "sent home" do not swell the statistics of China's official 2.9 per cent urban unemployed, because they are still technically on the books of the factory. But they are left to fend for themselves in a half-reformed economy caught between the industrial relics of a centrally planned establishment

Promise of the "iron rice bowl" is no longer there for millions of workers, writes Teresa Poole in Peking

and the impossibility of funding a much-needed welfare system.

As China this month silently marks the seventh anniversary of the June 1989 Tiananmen Square massacre, it is workers like Ms Zhang who cause the government most concern. For many of China's enterprises to have any chance of returning to profit, they must jettison large numbers of staff. But Peking is fearful of the threat to social stability if millions of workers are laid off. The alarm signals are already there: disgruntled workers are increasingly staging wild-cat strikes.

Across China there are countless people in the same position as Ms Zhang. A survey by China's State Statistical Bureau recently found that more than a quarter of China's 370,000 state-run companies were loss-making during the first three months of this year. The number of closures in the same period nearly doubled, compared with last year.

The scale of the problem is

daunting. There are 147 million urban employees, and the government admits that about 40 million of them will have to be "helped" to find other jobs.

One survey, reported last week in the official newspaper, the *China Daily*, found that 41,000 failed state enterprises had suspended production by the end of last year, leaving

**Tax officials close one eye to us ... knowing that we are in difficulties'**

5.5 million workers and pensioners without salaries or pensions. Over the next five years, the official estimate is that there will be a shortfall of 16 million jobs for people entering the labour market.

None of this even considers the situation in the countryside; the vice-minister of agricul-

ture, Wan Baorui, recently admitted that there were 124 million unemployed rural workers who had not been able to find alternative work.

Even in a booming city like Peking, there is a problem. According to one Chinese newspaper report, there are now 470,000 employees in the Peking municipal area receiving at most 230 yuan (£18.40) per month. Many of these are "sent-home" workers. The Peking Labour Bureau recently introduced a scheme whereby any firm which employed a "resting" female employee over 35 years old, or a man over 40, would receive 3,000 yuan (£240) as a reward from the government, so long as the person remained employed for two years.

Usually it is younger employees who manage best to survive in the modern market-driven Chinese economy. Ms Zhang said some of her former colleagues had found casual work; one cleaned in a hospital, another in an office, one

woman was selling bottled water to taxi-drivers and five others were selling underwear.

China's fast-growing economy, and the Chinese entrepreneurial spirit, mean that, compared with other countries, there are more opportunities here for creating work. But older workers, who for decades were accustomed to the "iron rice bowl" cradle-to-grave employment and welfare system, find the changes hard and rely on their families for survival.

The textile industry is one of the worst hit sectors, with many large enterprises making losses, and mostly female workforces being made redundant by new machinery. The underwear sold by Ms Zhang comes from her old factory, which is typical in being burdened by huge stockpiles of goods that do not sell well. She said: "I bought them very cheap. The quality of these products is not bad, but the style is out of date. I have no money to rent a permanent place, so I sell beside the road.

"The sales manager encourages us to sell and the tax bureau also closes one eye to us knowing we are in difficulties. They don't demand a licence."

Her cotton vests sell for just 8 yuan (70 pence) each, but in a good month now she can earn 300 yuan (£24) in her reincarnation as a self-employed small trader. Fortunately, her husband earns a reasonable wage as a state enterprise driver.

Ms Zhang represents the death throes of the "iron rice bowl" system. If Ms Zhang were to find another job, she would join the growing ranks of contract workers who have less long-term job security and who are expected to contribute to the new accommodation, health and pension funds that the government is encouraging. The government is insisting that by the end of the year all urban workers are on contracts.

Outside Peking, for instance, is the gleaming new building of the Peking Number 1 Auto-Interior Factory, which in 1988 emerged from the bankrupt wreckage of the Peking Number 3 Carpet Factory. All its 383 staff are on contracts of at least five years and monthly salaries should reach 1,000 yuan (£80) this year. But this is New China: employees must pay 12 per

cent of their wages towards company pension, housing and health schemes.

Like many others, she might not want to be dropped from the books of her work unit. Ms Zhang has a naive conviction that, in 25 years, the Peking Number 2 Knitwear Factory will be able to honour her "iron rice bowl" pension rights.



End of the line: China's workers, like these outside Peking's huge new railway station, face a more uncertain future under the country's market-driven economy. Photograph: Reuter

## Dissidents risk dangerous liaisons in fight for democracy

### BURMESE DAYS

I never saw any secret police following me in Rangoon, but my dissident friends assured me that I probably was being tail-end-chaser.

Giant signboards have sprouted around Rangoon, proclaiming the "People's Desire". The fourth point of the "People's Desire" is: "Crush all internal and external destructive elements as the common enemy". Because the posters were in English, it is safe to assume they were a warning against nosy visitors like me.

At worst, the authorities

would expect me as "a destructive element". But if my activist friends were caught, they would face a long and extremely painful spell in prison. To elude the MI agents, my pro-democracy friends had perfected dodges we avoided the main avenues and instead stuck to the hilly back lanes. We sneaked through restaurant kitchens and strange little shops to meet dissidents.

The secret police are everywhere in Rangoon. The hotel telephones are usually bugged, and there are informers in every government office and university building. The waiters in the tourist restaurants are also skilled eavesdroppers. Even the family compound where Ms Sun Kyi lives is being watched by agents of the dreaded Military Intelligence (MI).

So the Burmese are naturally jittery about being spotted in conversation with a foreigner.

I was in jail, they broke all my teeth. Well, it's not true. See?" he says, reaching into his mouth and pulling out a pair of dentures. "My teeth are beautiful."

Stay in Rangoon long enough and you begin to see subversion or at least surreal anomalies everywhere. Take the state-run newspaper, the *New Light of Myanmar*. A headline reminded readers of the "blood and sweat" that the military had sacrificed for the country, it accompanied a photograph of five generals tee-ing off on a golf driving range.

The ruling military council seems to vacillate between xenophobia to an almost child-like craving for affection and understanding. Most of the construction going on in Rangoon is hotels for tourists. So hundreds of these new hotels are empty. Building hotels in Rangoon is an accepted way for "surrendered" Burmese druglords to launder their heroin money.

The most notorious of all the Golden Triangle heroin smugglers, Khun Sa, is enjoying the junta's hospitality in Rangoon. He has reportedly been given permission to operate a public coach line through Burma into China. Some anti-drug experts believe this is a government-sanctioned front for Khun Sa to expand his heroin-smuggling empire into the Far East.

While the ruling military

council is willing to shield

druglords, its cruelty towards its less influential "law-breakers"

is chilling. In the delta region of

the Irrawaddy river, farmers

must give 50 per cent of their

rice crop to the army. Pro-

democracy activists in the region

said that recently one farmer's

crop was destroyed by storms.

So the farmer ran away. He was

hunted down by the military

commander and publicly strung

from a tree. "After they hanged

the farmer," said the activist,

"the soldiers then chopped

down the tree, as if to pretend

that neither the farmer nor the

tree had ever existed."

Thomas Caleb

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## the leader page

# The President, his wife, and the paranoid tendency

**W**hen Republicans and Rupert Murdoch are out campaigning on the same platform, the rest of us should all cast a cold eye on the message. So it is proving in the case of Mrs Clinton, and that stupendously insignificant piece of Arkansas real estate known as Whitewater. Even if there were smoking memoranda by the score, and boxes and boxes of shredded files, we should still wonder at the manner and meaning of her hounding. The fact, of course, is that there is no real evidence of misdeavour. The Republicans have conjured only innuendo. Whitewater always has been, and still remains a political rump in an as yet uninspiring presidential election campaign. By her enemies, we know Hillary Clinton to be a woman framed and defamed.

Whitewater is a tale of two parts. It helps to be clear why Whitewater Part One, the actual money-grubbing, is irrelevant, and why it would still be irrelevant to the good government of the United States of America even if Mrs Clinton had speculated her way to a multi-million dollar fortune. Whitewater Part One is about money in Little Rock. That's Little Rock, Arkansas. State governance is in a relatively healthy condition in America – arguably more so than federal government in Washington DC. State institutions work when it comes to dealing with allegations of corruption in gubernatorial office.

No one, at any stage of the Whitewater affair, has insinuated that Arkansas justice is inadequate or the Arkansas legislature is incapable of holding a past governor, or his wife, to account for events during his term of office.

Congress has no business rummaging around in the debris of state politics. That such interference has been commissioned by Republicans makes a nonsense of that party's claim (made strongly a decade ago by Ronald Reagan, and more recently by Newt Gingrich) to be the party of devolution of power to the state level.

So what is this Whitewater fuss? It is, very simply, a way of doing down Democrats by fuelling the limitless American appetite for conspiracy stories. The paranoid tendency in American political life is alive and well: the Clintons are merely its latest subjects. Huge amounts of time and effort have been taken up in an inquiry which turns out, on this week's evidence, to be wholly inconclusive. The government of the world's greatest nation, on Capitol Hill, as well as at 1600 Pennsylvania Avenue, has been distracted by an irrelevance.

Whitewater Part Two concerns what the Clintons allegedly did to cover up Whitewater Part One once they were installed in the White House. Here we enter a murky territory of apparently missing documents, suicide and sani-

tised offices. Two conclusions can be drawn from the report of the Senate Whitewater committee. One is that the Senate of the United States has now almost completely surrendered its traditional deliberative and quasi-judicial roles. The Republicans cannot be blamed for this: rot set in when Democrats, including Teddy Kennedy, started abusing the Senate's role in approving executive appointments. But look at the Senate now. A committee which takes its cue from Senator Alfonso d'Amato is not to be trusted to find matters of fact let alone make judgements of motive or significance.

The second, more important conclusion is that after 770 pages the President's wife has not been convincingly implicated in wrong-doing. The Senate Republicans' report goes to the Whitewater special prosecutor, who has to make a more impartial assessment both of the evidence and of the merit of a suit against Mrs Clinton. It is worth pausing to contemplate this spectacle: a special prosecutor, with an amplitude of powers to search and take evidence, is mounting his charge against a private citizen who happens to be married to the President, and who, even if she had done what they say

she did, has done nothing to harm the general well-being of American federal administration.

Why is this happening? Because Hillary Clinton is a victim of America's problem with prominent consorts. Norma Major's successful strategy – do nothing that is newsworthy – is not available even to the likes of Rosalynn Carter. Oprah's viewers would love the First Lady to be another Jackie. Instead she turns out to be matronly but a bit too clever, like Barbara Bush, or, Hillary's sin, opinionated and worldly. Add to that Hillary's liberalism, and the baggage from her past lives as feminist and political activist, and Hillary Clinton becomes too difficult for Americans to handle.

Mrs Clinton is also, inevitably, a ripe fruit in a dry season. The Clinton-Dole presidential contest is not heart-stoppingly exciting. Mr Dole dickers over the difference between a plank and a platform and the various qualifying statements that may be needed to keep together the religious right and the Republican mainstreamers. But what would happen if he won? Well, he too would have a wife problem. If Republican dominance in the Congress is lessened, even if only by a small amount, he would, as President, have to contend with vociferous cries for a parallel investigation of his own wife's financial and political records. The point

is that Mrs Liddy Dole would deserve it no more than Mrs Clinton. If high federal office is now to be reserved to men with blameless sexual and marital records whose spouses are squeakier clean than Caesar's wife, American political leadership will become even more bereft of talent than it already lamentably is. Running a woman for president will not solve the problem, either – as Geraldine Ferraro will surely tell anyone willing to listen.

## As a sportsman, you can't win

You can't win – at least, not against the corps of national newspaper sports writers. If you mess up, they slaughter you – turn you into a turnip, drag your love life out into the centre circle, and, worst of all, catch you out on the razz.

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But what you have to remember is that it's very hard for grown men to write one thing one day, and exactly the opposite the next. And, having turned 180 degrees yesterday, just wait and see what happens if you get knocked out in the quarter finals (Heaven forfend).



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## LETTERS TO THE EDITOR

### Indian veto could sink test ban deal

Sir: At the negotiations in Geneva for a Comprehensive Test Ban Treaty, a difficulty has arisen over the requirements for the treaty's entry into force. Britain, together with the other nuclear weapon states, proposes that before it comes into force the treaty must be ratified not just by the five declared nuclear weapon states, but also – among others – by the three "threshold states": India, Pakistan and Israel.

This requirement is in all probability a prescription for a treaty which stays in limbo indefinitely, and never comes into force at all. It would give India an effective veto on the treaty, a veto which India would be virtually certain to use. Is this what some of the nuclear weapon states had in mind?

The first international discussions of a Comprehensive Test Ban Treaty began on 1 July 1988, nearly 40 years ago. Now that the prize seems at last to be within our grasp, it would be tragic if the venture failed because of provisions which allow for a veto by a single state known to be opposed to the treaty. Have we come all that way, for this?

General Sir HUGH BEACH  
Vice-chairman  
Council for Arms Control  
FRANK BLACKABY  
President, British Nuclear  
Test Ban Coalition  
Professor JOSEPH ROTBLAT  
London: SII

Sir: In Florence this weekend the Inter-Governmental Conference of the European Union will, as part of its review of the Maastricht treaty, discuss foreign and security policy. They will do this at a time when the governments of France and Britain have decided to strengthen their military co-operation, including the nuclear element.

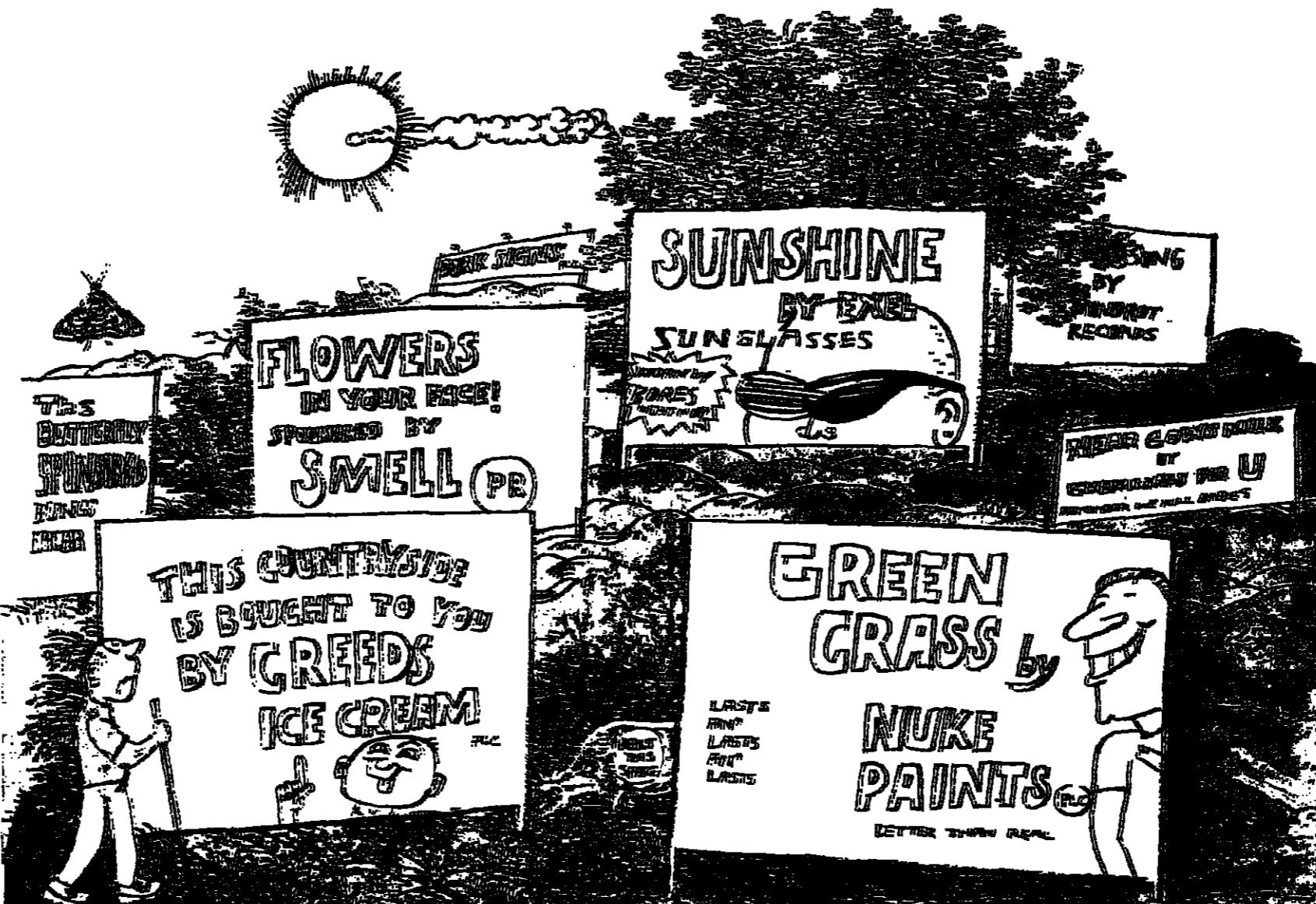
At the same time the recent Nato meeting in Berlin agreed to improve the military intervention capacities of European countries both within and outside Europe. We are very concerned that the European Union is in fact preparing to become the European pillar of the Atlantic Alliance. The current reintegration of France into the military structures of Nato offers the possibility of the European Union covertly incorporating nuclear weapons into its foreign and security policy.

A modern conception of security and relations between countries in Europe and in the world cannot rely on the doctrine of nuclear "deterrence" and militarisation. The leaders of France and Britain would do better to invest in building peace through conflict prevention.

The dangerous slide to a "Eurobomb" needs to be analysed and debated openly. There is growing concern throughout Europe about this and a determination that we should work for a Europe free of nuclear weapons.

It is vital that those meeting in Florence realise that they cannot create a European nuclear force by the back door and against the will of the people.

JANET BLOOMFIELD  
Chair, Campaign for Nuclear  
Disarmament UK (London)  
London N7  
DANIEL DURAND  
National Secretary,  
Mouvement de la Paix  
(Paris)



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### Blair sidles up to Europe

Sir: You choose to leave your readers in no doubt as to the gait of the Leader of the Labour Party as he makes his most recent "Continental progress" ("Blair walks tall into Europe", 19 June). But what did Tony Blair say that was either new or particularly daring? I have no doubt that Britain's future lies in the EU", and, "We will fight the next election as the party in favour of a constructive relationship within Europe... Well, knock me down with a feather, bigging talk indeed!

The reality is that Mr Blair and the Labour Party have either used Europe as another political stick to beat the Government, as in their conduct during passage of the Maastricht treaty, or bravely kept their heads down, as over the current British non-cooperation farago. Uttering a few sweet lines of prosaic prose in Bonn is not the same as standing up and being counted against the Tory and tabloid anti-European onslaught in Westminster and Wapping.

DAVID WHEELDON  
Eton, Berkshire

Underfunded operatic glories

Sir: Next time David Lister ("Nice theatre, shame about the play", 14 March) comes to the London Coliseum, he might care to sit in dress circle box number 12. If he lifts the torn, shabby blue upholstery, he will see the original red fabric which was one of the glories of Frank Matcham's

theatre. He would thus learn two things. Firstly, English National Opera's plans for the redevelopment of the London Coliseum were inspired by a respect for the splendour of Matcham's 1904 designs. Secondly, he would see one of dozens of examples of many years' lack of investment in the fabric of the building.

If he were there to accompany some of our marvellous and very patient technical staff backstage and observe three or four productions jammed together in a narrow area behind the show currently being performed, he would discover something else. While it is possible to transform the front of house and restore it to its former state, no amount of architectural ingenuity will ever make the theatre a modern state-of-the-art opera house.

Matcham and Sir Oswald Stoll were ingenious in shoe-horning a theatre on to a cramped site, but the ingenuity of ENO over the last quarter century has been stretched almost to breaking point. This is why, in the public interest, the Arts Council Lottery fund granted money to ENO for a feasibility study to compare the very substantial costs of redevelopment and temporary relocation of the company with new-build options which would ensure the provision of affordable high-quality opera and dance well into the 21st century.

DENNIS MARKS  
General Director  
English National Opera  
London WC2

### Waiting for Godeau

Sir: Literary sleuths in search of Godeau may have to look a little further back than Bloomsday 1904 ("A French cyclist may reveal the meaning of Godeau", 18 June).

In a now long forgotten minor drama of Balzac's which I came across by accident some years ago, dealing with a kind of "promoter" of over-optimistic investments, the worthy bourgeois characters in the assembled cast await the arrival of a certain M Godeau, with whom they have placed their savings.

Godeau is a "preneur" or "faiseur" of sorts in the piece. It is he who will bring them the pot of gold at the end of their expectations. Alas, he never arrives and they wait in vain. I have seen this play referred to as *Mercadet* but in performance was called *Le Faiseur* I think.

It is quite possible that the phrase "en attendant Godeau/Godot", entered French usage years ago but is now forgotten and that Beckett picked this up on his travels either in Paris or in the provinces. If he said he had an idea where it came from, was he merely being coy or even cryptic? Or had he genuinely forgotten? Or was there another Godeau?

Professor MALCOLM WARNER  
London NW1

Sir: While reading John Walsh's article on *Waiting for Godot* (18 June) I evolved a different interpretation. I suspect Godot is actually "go-dot"; that is, go full-stop. The play can then be

paraphrased as: to end their waiting, they need only go.

The play is thus about self-determination: while the characters are trapped waiting for some external agent or action (Godot), we see that they could simply move on (go).

As evidence of this reading, I note that both acts of the play end with the spoken words: "Yes, let's go," and the stage direction: "They do not move". Beckett said that the play's meaning would be known by those who manage to read it attentively. Perhaps he was thinking of the punctuation.

GERARD M BLAIR  
E-mail: Gerard@ec.ed.ac.uk

### No Jewish state

Sir: I write with a plea for like-minded Jews to stand up and be counted.

I object to Israel being called "the Jewish State". Any state that is prepared to offer a place in its government to a person such as Arik Sharon ("Netanyahu hits first crisis over cabinet line-up", 19 July) has no conception of the fundamental ethos of Judaism.

Tolerance and love is at the heart of the Judaism that was instilled into me. There has been none of those sentiments towards the Arabs, by Sharon. His rhetoric towards gentiles within the occupied lands of Israel is my witness. To associate all Palestinians with murderers like Hitler is the same as associating me with Sharon.

LOUIS JANKEL  
Walton-on-Thames, Surrey

### Victimless sex offences

Sir: The Home Secretary's new proposals to tackle child abuse are muddled and ill-considered ("Abusers who seek work with young face jail", 18 June). They lump together consensual and coercive sex offences, and offences between adults and those involving children.

Not all sex offences cause harm and have victims. Nearly 500 men were found guilty in 1994 of homosexual acts involving consenting adults. In the same year, 200 heterosexual men (many under 21) were convicted of the consensual offence of unlawful sexual intercourse with a girl under 16 (but over 13).

The victimless behaviour of these men cannot be equated, as Michael Howard is proposing, with demonstrably damaging sex crimes like child abuse.

PETER TATELLI  
London SE1

### How low can sterling sink?

Sir: On the day that I read that the United Kingdom has now sunk to 16th place in the world economic league (18th if Singapore and Hong Kong are also included), my bank tells me that it was no longer advisable to travel to France or Switzerland with sterling travellers' cheques, as banks in both countries will refuse to accept them.

How much farther can we sink?  
J M WALPOLE  
Birmingham, Essex

### Anti-German propaganda

Sir: Abigail Rayner's assertion that "British hostility towards the Germans goes back a long way" (Section Two, 19 June) is not to put too fine a point on it, utter tosh.

Anti-German sentiment dates, quite precisely, from the First World War and propaganda reports, mostly fictitious, which presented Germans as a brutal and savage enemy. It was at this time and for this reason that our almost entirely German Royals changed their family name from "Saxe-Coburg and Gotha" to "Windsor".

Queen Matilda may have been unpopular, but their most foreign royal marriage partners were always unpopular whatever their national origins. Prince Albert was no more unpopular than any other foreign royal and more popular than most. Until Queen Victoria came to the throne a large part of Germany – Hanover – was intimately linked with Britain through a common monarchy and ceased then only because the Elector of Hanover had to be made.

Throughout the 19th century the Germans were popularly referred to as our cousins, much as we talk of the Americans today. German philosophy, German science, German art, German music and yes, even German arms, were admired and respected throughout these islands.

Christmas as we now know it is largely a German import.

Indeed, although Germany did not become a unified state until the 1870s, the Germans had been England's traditional ally against the French, who were the focus of English hostility for very many centuries. This is why it was seen to be entirely natural and proper that it should be Prussia who helped Wellington defeat Napoleon at Waterloo.

Finally, to imply that it was the Saxon invaders of post-Roman England who began this enmity is especially absurd, as they remain here to this day; this is why English is a Germanic language. To hate the Germans is to hate ourselves. Maybe we do. Maybe that is our real problem.

JIM MANGLES  
Norwich, Norfolk

### Trapped in a handkerchief

Sir: The Bateman wartime cartoon, "Coughs and sneezes spread diseases", used to illustrate the article of a cure for the common cold (18 June), is overdue for revival.

The warning, with the added advice, "Trap the germs by using your handkerchief" was widely used on the London Underground well into the 1950s. Travelling regularly again by tube after a break of more than 40 years, I am struck by the number of passengers who sneeze in crowded trains without any attempt to stem the rocket-like propulsion of germs.

Women seem to have forsaken handkerchiefs completely, sneezing freely and then毫不踌躇地 affecting a light dab to the nose with a piece of tissue the size of a loo-roll wrapper. As for men, what has happened to the sensible scarf-sized cotton squares that could be used for a multitude of purposes apart from trapping germs? A surreptitious rub with the back of a forefinger after sneezing is no substitute for trapping.

JOHN GORMAN  
Waltham Abbey, Essex

## analysis

# IRA on road to nowhere

The return of violence would be terrorism without a strategy, says David McKittrick

In the wake of an IRA atrocity such as Manchester, the democratic decentes seem to dictate that as much civic outrage is directed at Gerry Adams and Sinn Fein as against the IRA. As the public face of republicanism Adams acts as a lightning conductor, attracting the anger and indignation of those who see the destruction, the blood pouring from people's heads, and want to know why he cannot simply stand up and say: "I condemn the IRA for doing that."

He never will. He has already dug deep into his thesaurus recently to say he was shocked and saddened by the bomb and relieved that no one was killed. When an Irish detective was murdered in Limerick this month he described it as completely and utterly wrong and declared: "I repudiate and renounce it."

But he will not use the word "condemn", because in republican terms that word carries a huge emotional charge. For Adams to use it would in effect amount to either a formal proclamation of a split in the republican movement or his effective departure from it.

The justification of hoping for a split is that it would weaken the IRA militarily and politically. But judging from past experience the IRA survives splits, emerging as more militaristic as ever and if anything less subject to political inhibitions. If Adams were to leave the republican movement, he would become in effect a second John Hume, beseeching from the outside rather than working on the inside.

It is difficult for democrats to come to terms with the fact that Adams will not condemn IRA violence; but this is accepted as an unpalatable but unavoidable fact of life by senior security figures. A similar situation arose late in 1993, less than a year before the IRA cessation, when the IRA bomber Thomas Begley killed nine people and himself in the Shankill Road bombing.

The world's outrage at the carnage was redoubled when Adams was pictured carrying Begley's coffin, but senior security sources, then as now, were unsurprised. A high-level security source later said: "Anyone who would castigate Adams



Back to the bad old days. Republican families liked having streets free of soldiers during the ceasefire. The experience gave the ghettos the vision of a way other than the unthinking violence of the old grim war

for carrying the coffin could have no concept of republicanism. If he were involved in a process to turn republicans away from violence, for him to have credibility there wasn't any way he could shun being closely identified with the funeral."

The man who said that has had colleagues and close friends killed by the IRA, was himself for many years on their target list, and may well be again. In private he exhibits the quality that very often distinguishes many security people in Northern Ireland from their political masters in London: a willingness to face facts as they must remain intact. If we are going to have a peace delivered then we can't have people frag-

menting all over the place and a measure of communal solidarity.

There is therefore a logic in constitutional politicians preserving a relationship with Adams even at arm's length, as a conduit into republicanism. Those who decide to do so, however, will do so on the basis of judgements that he is working to coax his movement away from terrorism and that he might at some stage succeed.

But at this moment, in the wake of the Manchester and Limerick incidents, the war party is clearly in the ascendant. All of England is now a "legitimate target", it seems, and there is the possibility of a return to violence in Northern Ireland, either from the IRA or the loyalists.

One key question concerns how many in the wider republican movement will be prepared to follow an IRA order to go back to war. There would be no mutiny within the IRA and Sinn Fein would not, as we have seen, be in the business of condemnation. There will be little or no open revolt from the wider republican movement, where the view is widespread that public criticisms of the IRA only give aid and comfort to the enemy, the British.

A number of factors will come into play to ensure a

ceasefire on the streets: that most all republicans were relieved when the ceasefire was declared, and that the peace process was tremendously popular among them.

Right through the ceasefire the general republican view was that the British were dragging their feet, that prisoners should have been released and talks opened. Yet, for all this, the process continued to have widespread support. Ghetto families liked streets free of soldiers, liked the lifting of the

war. They might have believed it before, but there's no conviction about it now. They will go along with it out of family ties, history, and so on, but the issue will be how long can you sustain a war if you don't believe in it."

This illustrates the central weakness of the IRA's position. Republicans have become used to participating in politics and the peace process, watching and following a Sinn Fein leadership that radiated a sense of purpose and direction. So far the IRA has set out no strategic vision of how attacks such as Manchester advance the republican cause.

As a result there is much puzzlement in the ghettos as to what the new game-plan could be. The republican movement is not a democratic entity, but the grassroots do expect a clear line of strategy to be laid out.

At the moment no such explanation has been given.

As this dark and uncertain time, this in itself offers some glimmer of hope. No one is in any doubt that the IRA could set off more bombs: the issue is whether a campaign could be sustained. The IRA itself may be determined to march backwards into the past, but a movement without a viable philosophy is, in the long run, going nowhere.

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## A substitute in search of a column

Dressed up for a semi-formal lunch, I called on my newsagent on my daily mission to locate some entertaining filth in his tabloids. Kuku looked at me strangely as I offered an opening pleasantries. "Ruth," he enquired gently, "why are you wearing four kinds of glasses?" Upon examination it emerged that over my eyes were sunglasses; on my head were my TV-watching glasses, for just before leaving I had looked at the first few minutes of the news; around my neck were suspended my reading glasses and further down - dangling from a long post chain - the lorgnette which the tenant of my affections gave me so I could look smart in society and still be able to read menus and notes.

There are some insubordinate rumbles that need to be dealt with firmly. Chris Sladen is the chief offender, with *The chief delectation of summer?* Why - the 'Indy' grows rummer and rummer!

When Miles goes away, Young Ruth nicks his pay, But we do the work - what a bummer!

That's him out of the running for the pink champagne. Ivan Shakespeare had the brass neck to send an invoice for supplying the column with: "She was only a sausage-maker's daughter, but when she was young she was offal but we knew she could be a mad cow."

He demands champagne, "such payment being demanded by the notion of tradition, not to mention the Principle of the Thing, notwithstanding Parasimous Endeavours on the Part of Recipient (The Opportunist) to Solicit same without Recompense."

Tough: the opportunist makes the rules around here. I refer dissidents to today's ICA postcard, which shows Adam addressing Eve.

"Right then - you water the garden, count the animals, get on with the dinner and tidy yourself up... while I eat this apple. And don't forget to feed the snake."

Then I toyed with the possibility of arming a few of you with cutlasses and storming someone else's space. Polly Toynbee is an obvious target: you can usually rely on liberals to do a bit of appealing when confronted by force rather than reason. However, bearing in mind that I'm pretty vocal in my opposition to the IRA, I suppose I might be vulnerable to the charge of hypocrisy.

Inspiration came from childhood memories. My mother was a Dublin schoolteacher who occasionally, if she wasn't well or wanted to go on a course, would avail herself of the practice of "Putting in a substitute". The principle behind this was that you owned your job, and if you couldn't or wouldn't do it for a time you simply sub-contracted the work as cheaply as possible.

These days teachers avail

themselves of newfangled rights like maternity or sick leave, but the principle has not been completely abandoned.

There are TDs (Irish MPs) who after many years still have

the right to return to their old teaching jobs if politics turns sour.

So that's the path we will follow, my hearties, and one, what's more, that's legal and in keeping with our new editor's enthusiasm for free trade and market forces. I'll offer us as substitutes to jaded *Indy* columnists regardless of their expertise. I have no objection even to the odd visit to the business pages or the sports section: elppower can tackle anything successfully.

The financial arrangements will be simple: I'll get the cheques from the column owner, and from time to time I'll throw you a bottle of something to fight over. Got that, Shakespeare?

Through diligence and a humble acceptance that virtue is its own reward, Leading Elf William Hassell earns a third mention this week for:

To go ahead and get Lebed, Yeltsin had to scratch off Grachuk.

Miles Kingston is back next week.



Ruth Dudley Edwards

That gives you the general idea of how I like to conduct relations with elves.

Now I've been giving some thought as to what should happen after Friday. I consider myself simply refusing to let Miles Kingston back into this space; even with an injunction, it takes ages to remove squatters. However, I admit to being daunted by the notion of continuing to appear five times a week. It's OK for Kingston: he takes the easy route of writing his own column, but I'd have to take on more staff, and I doubt if I'd have the time to cope with the paperwork. As it is, I'm knee-deep in faxes.

These days teachers avail themselves of newfangled rights like maternity or sick leave, but the principle has not been completely abandoned.

There are TDs (Irish MPs)

مكتوب من الأصل

## the commentators

# Michael Howard, leadership contender

He may look shifty on television, but he believes he has a real chance of succeeding John Major

**I**t's Law and Order Week. Opening a Government-arranged debate in the Commons on his sentencing White Paper, Michael Howard yesterday defied his critics among the judiciary, the liberal establishment and the Tory peerage by beginning a new chapter in the party's relentless effort to wrongfoot Jack Straw and the Labour Party on crime.

The Home Secretary's appearance at the dispatch box was calculated to influence, to the advantage of his party and himself, two decisive events still likeliest to take place in 1997: the general election and the struggle for the party leadership that will follow the Tories' predicted defeat. For Michael Howard sees himself as a serious candidate to succeed John Major.

To propose him as a potential Conservative leader is to invite ridicule within many quarters of the Tory party as well as beyond it. The case against it is formidable: Douglas Hurd said in his wise Commons speech after standing down as Foreign Secretary that such was the modern public distrust of politicians that those who succeeded in the future would be those who least sounded like politicians. Of the available candidates, only Kenneth Clarke begins to fulfil that ideal. Howard is the living antithesis of it; politician rather than statesman in image, he sounds

and looks shifty and untrustworthy on television. He exudes the air of a man whose principal conviction is scoring off his opponents. He has failed to reverse the impressive poll lead on law and order built up for Labour by Tony Blair. There aren't many MPs for whom he would be the first choice.

There is also one dreadful reason for the conventional wisdom that Michael Howard won't become leader. The Tory party hasn't opted for a Jewish leader since Disraeli was a rather outstanding one. There is still a lively if unacknowledged vein of anti-Semitism in sections of the Tory party, which is normally only exposed in times of crisis if it helped to do for Leon Brittan what it played a part in the lynch mob that saw off Edwina Currie – and it informed some of the grandees' dislike of David Young. With these handicaps, justified and utterly unjustified, how could Howard succeed?

Let's assume that Tony Blair wins the election, and that John Major ignores any pleas to hang on for a year or so. The leadership campaign that follows will be extraordinary both for the number of candidates and its length. Under the party's new rules, the ballot cannot take place until three months after the opening of the new parliament.

At present the list of plausible can-



DONALD MACINTYRE

There is still a lively vein of anti-Semitism in the Tory party

candidates include, beside Howard, John Redwood, Michael Portillo, Stephen Dorrell, Malcolm Rifkind, Gillian Shephard, Ian Lang, Brian Mawhinney and Kenneth Clarke. That is not counting Michael Heseltine, who one senior minister said this week "absolutely" could not be ruled out, especially if Tony Blair were to secure only a narrow majority – not a returning Chris Patten.

There is one certainty and one assumption about the contest. The certainty is that the party, after a fresh intake of new MPs who grew up in the

Thatcher years, will ensure another pronounced swing to the right. That is the reason for the subtle repositioning of candidates with roots on the left, such as Dorrell and Rifkind. The second is that for the three most prominent right-wingers, Redwood, Portillo and Howard, the first ballot will be "primary". There is the genuine prospect that they will therefore compete with each other in extremism on everything from the EU to capital punishment, in which case Howard would probably come off worst. (He no longer believes in hanging, and to his credit says so.) But there will also be a strong countervailing question: who would split the party, and who would have a sporting chance of holding it together?

The argument for Howard goes like this: he has long-term street cred on the right, which Dorrell and Rifkind do not; after Black Wednesday, he saw off in Cabinet an attempt to pledge that Britain would go back into the ERM. He stiffened Major's insistence on the Social Chapter opt-out. But he has also been loyal. He didn't resign and challenge Major, and he didn't allow a bank of telephones to be installed in a safe house before the 1995 leadership contest was anything like over. Moreover, he is part of a generation of Cambridge friends that

crosses the political spectrum. And he has longer experience, at Employment and the Home Office, in tackling Tony Blair head on than any other member of the Cabinet.

He does not yet have a big constituency in the Commons. But some Tories insist that credible figures such as Sir Nicholas Bousfield, David Maclean and Archie Hamilton would back him. So, I suspect, would Tim Collins, a former Howard adviser who, as part of the Major inner circle, could be especially influential with the new intake, of which he will be a part. And in a long campaign they would do their utmost to expose some of the passion and engagement which his supporters point out he displays much more in private than he does in public.

There are lots of reasons why this might not work. They may be old friends, but would Clarke really serve in a Shadow Cabinet that Howard would swiftly commit to opposing a single currency? And is Redwood, who pointedly didn't show up at the Goldsmith-Cash-Aitken hearing last week, incapable of broadening his appeal? Won't the party decide that Howard could never win an election and opt instead for a centrist, such as Lang or Shephard? And so on? It may well not happen; but a discreet, long-range campaign is under way.

# It's a book about a model, stupid

INSTRUCTIONS NOT INCLUDED  
Paula Hamilton  
Michael Joseph, £15.99

I've just finished reading Paula Hamilton's book *Instructions not included*. Why did I continue to turn page after page? Why, when nothing I know or have ever read about Ms Hamilton would indicate she could write anything as fascinating as a shopping list?

It crossed my mind as I picked up the book that its publishers have a good reputation. They're not fools, they don't publish any old thing. They haven't stinted on print and production. Nice quality paper, thoughtfully chosen typeface.

So, you figure, maybe there's a moment of revelation, some extraordinary turning point, a sprinkling of what used to be called wit and wisdom, maybe an insight or two, or even a paragraph of good writing in Ms Hamilton's autobiography that caused an editor to say, "Fantastic. Let's go with it." You read on because sometimes it's great to be proved wrong. I was wrong last night about England's 4-1 win over Holland.

You've never heard of Paula Hamilton? You haven't the faintest idea who she is? As my friend Mr Bywater would say, "She's on the cusp of the zeitgeist. A woman for our time. A creature of the age."

Model, actress, tall, slim, blond, totally self-absorbed, educationally challenged, she has a dysfunctional family, she likes elephants and she's married and dated difficult men. There have been ugly moments with drug and alcohol abuse and more therapy sessions than anyone has a right to know about. In common with our own dear Princess of Wales, she speaks fluent psychobabble.

At the apex of her career she made a three-minute TV commercial for Volkswagen where she threw away her boyfriend's car-keys. This made her incredibly famous and sought after by tabloid journalists and armies of photographers. As she herself puts it poignantly on page 139, "Airliners let slip when celebrities travel. How else do you think the press know when we fly in and out of the country?"

Interesting about celebrities in the Nineties, isn't it? You don't need to be able to do anything at all and the one thing a celebrity doesn't need is talent. Talent? What's that?

What also strikes you in a dull, thudding, well now-you-come-to-ask way about Paula Hamilton is she doesn't seem to have learnt anything, although by the last chapter she's off alcohol, in love and



VW model Paula Hamilton has had an emotional experience reading Naomi Wolf's *The Beauty Myth*.

Mostly when you read an autobiography you feel something at some point for the writer. This is an unusual book in that, as a reader, you feel nothing. I guess the endless "I suffered major mood swings, I was oversensitive and hyperactive. I fabricated the truth". "The dope in Mexico was strong, but not strong enough – my feelings of shame, inadequacy and low self-worth started to come up again". "Relationships at the best of times are hard work. I believe great skills are required for a successful relationship". "I felt abandoned, confused, lost and hopeless". "Today as result of all my experiences I have learned to put myself first: that way I am strong for me – therefore strong for you" get to you. You nod off, you get distracted by a passing cat. You consider hoovering for the first time in years. You wonder idly what's happening in publishing.

This is from a serious publisher. Has the tabloid effect crept up like the tide to slowly engulf everything? God, I've just thought. We could be in for a slew of books from the other cusp of *zeitgeist* women. All those women with zero talent and nothing to say. The back of my neck is becoming uncomfortably warm just thinking about it. The life and times of Tamara Beckwith, Kate Moss, Anthea Turner, Ulrika Johnson, Gaby Roslin, Tara Parker-Pomplin, Anna Bryer. There's hundreds of them. Indistinguishable. Listen I shan't say more. But if you've got £15.99 going spare, go and buy one or two of Stevie Davies books. They're in paperback, published by the Women's Press, and the woman writes like a dream. If you're mad about good books, you're going to be hopping mad if anyone persuades you to plough through *Instructions not included*. Trust me. Don't.

MARCEL d'ARGY SMITH

## Brighten someone's life

Get a sunflower and support your local Hospice



Hospices - giving dignity to life

The hospice movement needs your help. Please send donations to: Sunflower Week, PO Box No. 301 Guilford Surrey GU2 5GR UK	
Name:	
Address:	
Town:	Postcode:
I wish to support my local hospice which is ... and enclose a cheque/postal order payable to Sunflower Week	
National Association of Hospice Fundraisers Registered Charity No. 1031519	

# Dr Carey's pilgrimage of peace

The Archbishop's trip to Rome will help to smooth ructions between the churches, says Andrew Brown

**H**igh ho, high ho, it's off to Rome we go! The Archbishop of Canterbury, Dr George Carey, is to pay his first official visit to the Vatican in December.

One wonders why he bothers. There are, in fact, good reasons for him to go, but they have nothing to do with any hope of union between the Roman Catholic Church and the Anglican Communion. These have been comprehensively shattered over the past 10 years, and one of the first and most decisive blows was struck the last time an Archbishop of Canterbury paid a formal visit to the Holy See, in 1989.

In an extraordinary sermon from the pulpit of the church from which St Augustine had set off in AD597 to convert Britain, the Pope made it clear

that so far as he was concerned, any future Archbishop of Canterbury returning to that church should also be returning to obedience to Rome. The Archbishop thus rebuked Dr Robert Runcie, who had received Pope John Paul II in a historic ceremony in Canterbury Cathedral in 1982, the first time a Pope had ever visited Britain.

The particular point disputed between the two men was the ordination of women, which, as head of the Anglican Communion, Dr Runcie was obliged to defend. But this was only an instance of the general tendency that constitutes, to the mind of Pope John Paul II, the underlying obstacle to Christian unity – the tendency of other Christians to disagree with him. Christian unity has long been a pre-

occupation of this Pope; and the more deeply he has considered the subject, the more clearly he has come to understand that the key problem is the refusal of other churches to acknowledge the authority of his office.

**The Anglican Communion stands as a model for unity**

Last year, he issued an impassioned encyclical, *Ut Unum Sint*, which was widely interpreted as an appeal for unity between the Roman Catholic and Orthodox churches by the millennium, especially by people who had

not read it. It did contain these passionate, pious hopes, but it also contained an unequivocal declaration that the authority of the papacy in any united church would cover every important aspect of Christian practice and belief.

In a similar, though less dogmatic, vein, Dr Carey has been explaining on a recent tour of America, how the Anglican Communion, the loose agglomeration of 70 million Christians world-wide which he heads, can by its disagreements over every important aspect of Christian practice and belief stand as a model for unity to the world.

The fall-out from the Church of England's decision to ordain women in 1992 was so bitter and prolonged that when Dr Carey last visited the

Pope, in 1992, this was formally part of a visit to the Italian Catholic church and not the Vatican. Even then the Archbishop let it be known on the eve of his visit that he would upbraid the Pope for his reactionary beliefs about contraception.

For 30 years, it seemed as if the tide in interchurch relations was bringing the two communities closer. Now that tide has clearly turned. The ructions over the ordination of women have brought home to ordinary members of both churches just how much they disagree with each other.

This disagreement is friendlier, perhaps, than it was. It is also better informed. Dr Carey's visit is not going to bring about an outburst of unity, but it may be necessary to keep visible diversity under control.

هذا من الأصل

# obituaries/gazette

## Sir Maitland Mackie

Maitland Mackie was the eldest of the three remarkable sons of Dr Maitland Mackie, a farmer in Aberdeenshire. His younger brother was John (later Lord) Mackie, MP for Enfield, Parliamentary Secretary to the Ministry of Agriculture and later Chairman of the Forestry Commission. His youngest brother George, Lord Mackie of Berrington, is a Liberal spokesman and for 20 years was chairman of Caithness Glass, and much else.

The Mackie family are tremendous innovators and Maitland was their patriarch. Last year there was a gathering of 165 of the 203 direct descendants of his grandfather at the Mackie home at Westerton. Maitland himself was an innovator *in excelsis*, in not one but two different spheres – agriculture and education.

He was the first Scottish farmer to make silage and pioneered techniques for its storage. He was the first to develop loose housing for dairy cows and the first man north of the Tay to acquire a combine harvester.

As a governor of the North of Scotland College of Agriculture from 1968 to 1982, he was a driving force in promoting experiments to increase agricultural output in inclement conditions and harsh climates.



Mackie: a lucky chap

His lifelong involvement with the Rowett Research Institute helped to produce resources for distinguished research on wool and other products.

From 1965 to 1982 Mackie as chairman of the Aberdeen District Milk Marketing Board had an influence in the development of that board's activities throughout Britain. His interest in the proper marketing of milk may have arisen from his own experience as a teenager of knocking doors in Aberdeen and Huntly in order to get regular customers.

Mackie was also an educational innovator. In 1961 he spent a fortnight on board the ship school *Dunelm* on an educational cruise to Bergen, Oslo, Copenhagen, Hamburg and Amsterdam when I was director of studies on the British India ship. Late into the night he would discuss ways in which ever more mature 14- and 15-year-old pupils could fill the last year at school and staying on could be made worthwhile. Work experience in the embryo North Sea oil industry on-shore, farm life for urban youngsters, courses in building techniques – all these ideas and more flowed from Mackie's fertile mind and were implemented at the behest of the education committee of which he was chairman.

He was not only an ideas man but a doer. I asked him during a very uncomfortable voyage across the North Sea to address 700 children, many of whom were seasick, on farming. He turned out to be a spellbinder.

His 15 years as chairman of the Aberdeenshire Education Committee were marred but not blemished in the end by a terrible long-running row which the Scottish and the national press simply could not resist.

Mackie's farm was supposedly

identified as being the source of dirty milk which had been given to schoolchildren in their morning break. This was pretty scurrilous stuff. In the event, after lots of mud had stuck, it became clear that Mackie and his farm were innocent.

Maitland Mackie was born on the family farm at North Yetholm, Tarves, in Aberdeenshire, still in the possession of his family. After Aberdeen Grammar School he graduated BSc in Agriculture at Aberdeen University, where his inspiration was the famous Sir John Boyd Orr, an international inspiration for many of those who went to work in Rome and elsewhere for the Food and Agricultural Organisation. Mackie farmed at Westerton, Rothiemoor.

In 1935 he married Isobel Ross, a teacher in the village of Daviot, and was able to celebrate his silver wedding after an outstandingly happy marriage before she died in 1960. In 1963 he embarked on a second outstandingly happy marriage with the Texan Pauline Turner, who died three years ago. In his autobiography, *A Lucky Chap* (1993), written in conjunction with his nephew, the author and journalist Charlie Allen, he describes movingly what a vital part these two thoroughly nice women played in his life.

He was first elected a member of Aberdeenshire County Council in 1951 and remained until the establishment of Grampian Regional Council in 1975. He was the first chairman of the North East of Scotland Development Authority from 1969 to 1975. I think that the parties which he and Pauline threw for oil industry dignitaries had a great deal to do with the fact that Aberdeen and not Dundee became the capital of the British North Sea oil industry. His public interests were wide-ranging and he was a very influential member, along with Menzies Campbell QC, now MP, of the Committee on the Scottish Licensing Law under the chairmanship of Dr Christopher Clayton which reported in August 1973. I am told that Mackie was chiefly responsible for the recommendation that the seller's criminal responsibility should extend to taking due care to ensure that no sale is made to a person under 18 or that liquor is not consumed by such a person in a bar.

Ian Dallyell

**Maitland Mackie, farmer, politician and educationalist; born North Yetholm, Aberdeenshire 16 February 1912; CBE 1965; Lord Lieutenant of Aberdeenshire 1973-87; Kt 1982; married 1935 Isobel Ross (died 1960); two sons, four daughters; 1963 Pauline Turner (died 1993); died Westerton, Aberdeenshire 18 June 1996.**



Scene-stealing: Van Fleet in the role for which she won an Oscar, as James Dean's mother in *East of Eden*, 1955

Photograph: Ronald Grant Archive

## Jo Van Fleet

Jo Van Fleet was a powerful actress, described by Elia Kazan as "full of unconstrained violence", who frequently played roles older than herself. She won an Oscar for her first film role, as James Dean's mother in *East of Eden* (1955). On both stage and screen she created a gallery of stoic, fiercely dominant women, many of them proud or manipulative mothers.

Born in 1919 in Oakland, California, she was educated at the College of the Pacific in Stockton. Encouraged to go to New York to pursue an acting career, she won a scholarship to study at the Neighborhood Playhouse under Sanford Meisner. She made her Broadway debut as Dorcas in *A Winter's Tale* (1946) and played Regan to Louis Calhern's King Lear in 1950. Elia Kazan, whom she later credited as a major influence on her life, first directed her in *Flight into Egypt* (1952), but it was her role as Camille in Tennessee Williams's controversial *Camino Real* (1953),

also directed by Kazan, that established her.

Kazan brought her to Hollywood for *East of Eden*, and her success led to other films – *The Rose Tattoo* (1955), *I'll Cry Tomorrow* (1955), as an archetypal stage mother pushing daughter Lillian Roth (Susan Hayward) to sardonic, *The King and Four Queens* (1956) with Clark Gable, and as Doc Holliday's girlfriend Kate in *Gunfight at the OK Corral* (1957). Holliday was played by Kirk Douglas, who later recounted his amazement at Van Fleet's method approach: "In one scene I had to beat up my hooker girlfriend – I wanted to be pumped up and asked me to slap her before we did the scene. We did it over and over and every time she asked me to hit her, and hit her harder."

Returning to Broadway, she won both the Tony and Donaldson awards for her irritable Jessie Mae Wats in *A Trip to Bountiful* (1957), and the following year won the New York

Drama Critics Award for *Look Homeward, Angel*, in which she played the acquisitive mother of Tony Perkins, who later described the scene-stealing battles in the play. "The worst duel I figured in was between Jo Van Fleet and Hugh Griffith ... it was always hair-tearing time between them. Hugh would clutch his heart and say, 'Do you know what \*\*\* did to me today?' Her knuckles would turn white when she'd say the same thing about him."

She returned to the screen to star with Montgomery Clift and Lee Remick in Kazan's *Wild River* (1960) as the obdurate 89-year-old matriarch who refuses to leave her farm in a valley about to be flooded by the Tennessee Valley Authority in 1935. Only 41, Van Fleet would spend five hours every morning getting into her make-up and applying wrinkles, insisting that the liver spots were put on her hands even for long shots where they would not be seen. The final wordless scene, in which she

sits on the porch of the small townhouse she has been given, her bunched possessions still in her lap, her spirit and will to live gone, was profoundly moving. A commercial failure given limited distribution, the film was later described by Truffaut as "the accomplished work of a master artist".

Though she continued to act in theatre, film and television (including episodes of *Bonanza* and – as a nagging wife who becomes a murder victim – in *Alfred Hitchcock Presents*), Van Fleet's career did not progress as rewardingly as she hoped.

Kazan said: "It stagnated, and since she knew it was bitter,

and as she became bitter, she became more difficult."

When Bette Davis turned down the role of Paul Newman's mother in *Cool Hand Luke* (1967) because it was too small, Van Fleet took the role. In the 1970s she worked a lot in regional theatre. She played mothers again in two television movies, *The Family Rico* (1972,

mother to Ben Gazzara) and *Power* (1980), a thinly disguised biography of Jimmy Hoffa in which she was mother to Jo Dan Baker's dock-worker turned labour leader. Her last film was *Seize the Day* (1986), based on Saul Bellow's novella, in which she was one of several notable actors playing small guest roles in support of Robin Williams.

Widowed in 1990 (her husband was the dancer-choreographer William Bales), Van Fleet lived on New York's West Side, where she became known for her unconventional behaviour. Legend has it that when asked by the check-out assistant in the local supermarket for some form of identification, she unzipped her handbag and pulled out her Oscar.

Tom Vallance

**Jo Van Fleet, actress; born Oakland, California 30 December 1919; married William Bales (died 1990; one son); died 10 June 1996.**

## David Mourao-Ferreira



Mourao-Ferreira: non-conformist

David Mourao-Ferreira, one of Portugal's foremost literary figures, was born one year after the May 1926 military coup that brought the national-colonialist Salazar regime to power, a fact that would have a considerable influence on his upbringing.

The son of a historian, who chose his best friend, the philosopher António Sérgio, an eminent opponent of the regime, for a godfather, Mourao-Ferreira grew up imbued with the liberal tradition that was to be one of the distinguishing marks of his prolific career, both as a novelist and poet, as well as an essayist, book reviewer and professor of literature and, after the regime's collapse in 1974, a secretary of state for culture in successive democratic governments.

He began his second career while still a literature student in the late 1940s, writing essays, fiction and poetry, often rising from being a mere contributor to becoming an associate editor of such prestigious magazines as *Seara Nova*, or a co-founder of others, including *Tavola Redonda* ("Round Table"), during decades in which one of the most difficult demands on Portuguese creative imagination

was the skill to voice coded criticisms or messages of democratic hope past the regime's Boards of Censors.

In 1950 he published his first novel, *Secreta Vligen* ("Secret Voyage"), with modest success, and from then on published at irregular intervals. In his principal books, *Galivatos em Terra* ("Seagulls on Land", 1959) and *Hospital de Letras* ("Literary Hospital", 1966), he emerges openly as an opponent of the regime, both as an eminent member of the committee which campaigned for the presidential candidacy of General Humberto Delgado against Salazar's own candidate in the

1959 elections, as well as amongst those who protested against the regime's brutal and stoicism which were so much a part of both his work and Amália's career made of them archetypal representatives of *lisboeta* culture – the bold, defiant and risqué culture that emanates from Lisbon towards staid provincial traditions.

Despite his non-conformist stance he nevertheless also gained popularity during the regime, and after, as a presenter of literary television programmes. Some of his most important prize-winning books, notably *As quatro estações* ("The Four Seasons", 1980), and *Um amor falso* ("A Happy Love", 1986), which won all the Portuguese literary prizes in its year of publication, where he disguised himself in one of the protagonists, were published after the restoration of democracy and the decolonisation of the centuries-old empire which even in its last form comprised an area some 22 times bigger than Portugal itself.

Now in her well-preserved seventies, Amália, as she is known throughout Portugal, was for many years a classical sex-symbol for the Portuguese. Mourao-Ferreira, as evidenced in his books, celebrated woman and feminine erotic allure as

much as individual women in his life. The inherent sensuality and stoicism which were so much a part of both his work and Amália's career made of them archetypal representatives of *lisboeta* culture – the bold, defiant and risqué culture that emanates from Lisbon towards staid provincial traditions.

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Last November, despite or because of his determined fight against cancer, he persisted in coming to London to attend the exams for a PhD in Portuguese literature at King's College London. To those who heard his address on another Portuguese poet, Camilo Pessanha, with whose fatalism he strongly identified, he seemed to be giving his own heartfelt farewell to life.

António de Figueiredo

**David Mourao-Ferreira, writer; born Lisbon 21 February 1927; twice married (one son, one daughter); died Lisbon 16 June 1996.**

other inquest. The emergence of fresh evidence, and the coroner's wish to conduct further investigation, did not relieve the court of its responsibility to keep in mind the public interest involved and the purposes served by an inquest as a fact-finding exercise and not a method of apportioning guilt or a general public inquiry into the Army's safety procedures.

The coroner conducted a full, fair and of course fearless investigation into how the deceased came by his death. He called many witnesses from civilian and military backgrounds, including the subject of body armour, which Captain Kelly had not been wearing. The question why not, and other safety issues raised in the statement should, it was said, be explored at a fresh inquest.

If the interests of justice required a fresh inquest, the motives of the witness whose evidence made that course appropriate should not deter a court from quashing the earlier inquest; but the court must make some assessment of the value of the proposed fresh evidence.

His Lordship did not accept that the emergence of fresh evidence, even if it was in part evidence which the Ministry had and should have disclosed to the coroner at the inquest, was determinative of the question whether there should be an

inquest. For these and other reasons the court was not persuaded that another inquest was either necessary or desirable in the public interest.

Paul Magrath, Barrister

## Fresh inquest into soldier's death refused

### LAW REPORT

20 June 1996

& Colclough, Northampton) for Major Carragher.

Lord Justice Pill said Major Kennedy's statement was widespread and much of it was irrelevant to what the jury had to decide. His view, as summarised by the coroner, was that "inadequate attention was being paid to safety". He mentioned in particular the subject of body armour, which Captain Kelly had not been wearing. The question why not, and other safety issues raised in the statement should, it was said, be explored at a fresh inquest.

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Paul Magrath, Barrister

### DEATHS

**ADAMS** On 15 June 1996, Hilda Margaret, calligrapher and illuminator, of Col House, Upper Colwell, Herefordshire, widow of the late Harry Adams. Much loved. Requiescat in pace at Church of the Most Holy Trinity, Hereford. Interment 20 July 1996.

**DAVIES** Martin, author of *Lads*, aged 39, on 16 June, after a difficult struggle with illness. Funeral on 24 June at St Peter's Church, Cresswell, SW5. Memorial service 20 July at Broderis Ward Fund, Middlesex Hospital, WIN 5AA.

**TONMILLION** Suddenly on 15 June 1996 in London, Isobel Hilary Grace Tonmillion (née Peter), formerly of Llanelli, Carmarthenshire, widow of Mr and Mrs David Tonmillion, of Penllyn, Llanelli, and Georgina, daughter of Mr and Mrs John Malpass, of Camden Town, London.

**BIRTHS** The Duchess of Gloucester, 50; Professor William Balchin, geographer, 80; Sir Brian Barber, former High Commissioner to Australia, 62; Professor Arthur Bell, former director, Royal Botanic Gardens, Kew, 70; Lord Brightman, former Judge of Appeal, 85; Dame Catherine Crofton, novelist, 90; Miss Wendy Craig, actress, 62; The Earl of Cranbrook, chairman, English Nature, 63; Brigadier Jill Field, former director, Army Nursing Services, 62; Mr Stephen Frears, film director, 55; Sir David French, director, Relate, 49; Mr Ronald Hines, actor, 67; Mr Richard Holby, former chairman, Hallmark Cards Society, 74; Sir Alan Lamb, cricketer, 42; Mr Stanley Parker, former chairman, Ranks Hovis McDougall, 54; Sir David Mitchell, MP, 66; Mr John Morris, broadcaster, 80; Sir Antony Pilkington, former chairman, Pilkington plc, 61; Mr Paul Ramirez, tennis player, 43; Mr Lionel Richie, singer and songwriter, 47; Mr Budge Rogers, rugby player, 57; Professor Sir Richard Southwood, zoologist, and Pro Vice-Chancellor, Oxford University, 65; Mr John Tizard, psychologist, 66; Miss Claire Tomlin, writer, 63; Sir Haydn Tudor Evans, former High Court judge, 76; The

**ANNOUNCEMENTS FOR GAZETTE** BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Weddings, Anniversaries, In Memoriam) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL, telephoned to 0171-293 2011 or faxed to 0171-293 2010, and are charged at £4.50 a line (VAT extra).

**IN MEMORIAM** Sandy. Happy days. Love and miss you. Mark.

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## Professor Stuart Wilson

Stuart Wilson was a man of great energy and strength of character, and a powerful force in economics in his generation. He occupied the Chair of Economics at Hull University for almost a quarter of a century. His interests were money and banking, especially Commonwealth banking.

Wilson



## business

# Telewest ponders plan for national network licence

MATHEW HORSMAN  
Media Editor

Telewest, Britain's leading cable operator, is weighing plans to apply for a national network licence, becoming a wholesaler and a provider of telephone services in its franchise areas.

The news emerged as the company confirmed it would undercut BT's standard charges by 10-15 per cent from 15 July, as part of an aggressive pricing policy aimed at winning new business from BT.

A national network would allow Telewest to provide services to other companies in its extensive franchises, which covers 3.7 million homes.

International CableTel, the country's third-largest cable operator, bought NTL, the television transmission company, earlier this year, as a move towards creating a similar national network for telephone services.

Telewest's new residential pricing scheme, first revealed in the *Independent* earlier this month, includes an undertaking that the company will beat BT on all residential phone calls, barring "one-off" discounts such as BT's "surprise special". It is also offering a 20 per cent discount on bills over £20 a month, not counting line rental.

It is expected to introduce number portability in the autumn, in a further move to attract new customers.

Alain Michels, chief executive, said: "We want to make it easy for our customers. We're not going to confuse them with special offers, or schemes to join every few days or weeks."

His comments were directed at BT, which has offered a range of discounts, including its Friends and Family scheme, in response to aggressive pricing from the cable companies.

"Our discount schemes make our service very competitive," a BT spokesman said. "Far from being confusing, they are very straightforward."

The residential and business telephony markets have helped to fuel cable's growth in the UK. According to a report by Kleinwort Benson, published this week, Telewest is "now in a position to start building a national brand previously lacking in the UK". Kleinwort argues that new services, such as high-speed Internet access, will generate additional revenues, and sets a target price of up to 250p a share, compared to other broadcasters.

While Flextech declined to comment, it is understood that Cox Communications and Pearson could be potential partners.

Telewest is also moving ahead

on the cable television front, confirming yesterday it would offer the new Sega games channel in the UK. Owned by Sega, Time-Warner and TCI, the channel is distributed in the UK by Flextech, the pay-TV programmer. It will also be launched on the Continent.

Subscribers will be able to download and play up to 25 games a month for a fee of £10. They will need a Sega Mega Drive system, a cable link and a connecting adaptor.

Roger Luard, chief executive of Flextech, said the new service would be rolled out by other UK cable companies in coming months. Telewest and Flextech have a common parent, TCI, the giant US entertainment and distribution company.

Meanwhile, Flextech said yesterday that negotiations with Rupert Murdoch's Fox entertainment arm about the sale of a stake in the Children's Channel had ended "amicably." Fox had been discussing the purchase of a 50 per cent stake in the Flextech channel, which now may be offered to other broadcasters.

While Flextech declined to comment, it is understood that Cox Communications and Pearson could be potential partners.

Telewest is also moving ahead

The sky's the limit: A flotation from the rooftops to mark AIM's first year



Star attraction: The London Stock Exchange celebrates the first birthday of AIM - the Alternative Investment Market - with the launch of a balloon from the roof of the Stock Exchange tower by Panton Corbett, AIM's chairman, and Theresa Wallis, chief operating officer. Photograph: Jane Baker

## Made in Leicester, the best aristocratic socks

### CITY DIARY

JOHN WILLCOCK

Pex, the Leicester-based manufacturer of children's socks, has produced an annual report with a difference. Pride of place on the front page is a colour reproduction of a young boy, "Filippo Cataneo", painted in 1623 by Anthony Van Dyck.

Filippo is an ancestor of Andrea Cataneo Della Volta, the Marquess of Belforte - who bought Pex four months ago. Since then the charming Genoan nobleman has put in a new management team, returned the company to the black and invested £1.2m in new machinery.

The Marquess must be one of the most distinguished people involved in the East Midlands clothing trade; his forebears founded the city of Genoa in 962. He still owns vineyards there, but most of his business is conducted through Uniwear, a Belgian flax-spinning company. Now the Marquess has set up house in London and spends three days a week in Leicester. He is also on the acquisition trail - a £2.5m

knitting technology company would suit fine.

Mike Smith, the doyen of trading-company analysts at Williams de Broe, is about to turn his back on the City and return to the world of Academe. Mr Smith is off to study history at Manchester College, Oxford, and is hosting a farewell bash next Thursday.

Mr Smith is probably the world's greatest expert on Inchcape and other traders, and has spent most of his career at Robert Fleming. Given

Airtours' attempt to surf on the Internet has turned into a bit of a damp squib. Last August the holiday company, led by chairman David Crossland, launched its booking service via the Net. Now, 10 months later, it has sold the grand total of one holiday via the Net, to a chap who went to Kenya. The people at Airtours admit to being a bit disappointed by this slow start, but are sure it will ultimately take off. To this end they have hived off the IT aspects of the Internet booking service to Ross Perot's EDS. It has certainly been an eventful year for Airtours - one of their hotels in Mexico was hit by an earthquake and slid into the sea. Happily no customers were occupying it at the time.

months ago. A bit slapdash, that. Hopefully not a pointer to AIM's future.

**Smith & Williamson** are amongst the most superior of medium-sized accountancy firms, what with their wealthy private client list, investment banking operations and London offices just off the BBC building in Portland Place. How natural, then, for them to host a private viewing of the Summer Exhibition at the Royal Academy, followed by dinner at the RAC club.

Sadly, decommissioned cumbred to Euro 96 mania, due to a television in an adjoining room at the RAC which was showing the England-Netherlands match. The noise level rose with each of England's goals, with portly City figures at one point chanting "four-nil, four-nil". The master of ceremonies had a hard time persuading the mob to take their places for dinner, and was forced to promise to announce any further goals. They had no sooner started tucking into "spiced pear" than news

that came through of the late Dutch goal, and Scotland's exit from the tournament. Undeterred, a merry time was had by all, until it came time to find taxis home.

**Blue blood:** Filippo Cataneo, the 17th-century ancestor of Pex's owner, Andrea Cataneo Della Volta, at the RAC club.

## ADT bids £85m for security firm

TOM STEVENSON  
City Editor

ADT rode to the rescue of Automated Security Holdings yesterday, bidding £84.9m in shares for the electronic security systems company.

ASH had been struggling for some time under a mountain of debts. Its shareholders will receive 3 ADT shares for every 92 ASH shares they hold. The proposed deal implies a value of 39.3p for each ASH share, a premium of 27 per cent to the ASH closing price on Tuesday of 31p. The terms imply a similar premium of almost 30 per cent for two classes of preference share.

ASH instigated a program in 1995 to refocus its management and sell peripheral businesses. The board realised from the start that such a course of action would not be sufficient to bail it out, however, and finding a bidder was always part of the game plan of new chief executive Tony Dignam.

During discussions to sell some of its US operations to

ADT, negotiations began on a full offer for the company, leading to yesterday's announcement.

Following the deal the new ADT shares to be issued will be listed on both the New York and London stock exchanges.

The takeover follows two years of heavy losses for Automated. In the year to November, ASH made a loss of £7.4m on turnover of £154m. In the previous 12 months it had lost £11.8m. Latest figures for the first three months of the current year showed the company still in the red, losing £1.3m from sales of £37m.

ADT, which is incorporated in Bermuda, is focused on electronic security and car auctions. It is the largest single provider of electronic security in North America and is also a significant force in Europe.

In the year to December, ADT made profits of US\$1.2bn. About three quarters of its sales come from its security activities and, following the acquisition of ASH, the companies' activities will be merged.

## Airtours brochure sales impart a glow

### THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

making more brochure sales with better margins. Also pleasing, for the operators if not consumers, is that May bookings prices were 15 per cent up on last year, with June prices 20 per cent higher.

The key now is the school summer holiday season which starts in mid-July. Airtours has fewer unsold holidays than last year and winter bookings are 12 per cent lower. Airtours' summer bookings are 19 per cent below last year as it clings on to margins rather than chase volumes.

As some smaller rivals were discounting their summer '96 holiday as early as January it is not surprising that Airtours bookings took a hit. The good news is that Airtours has been

Booking to Greece remain weak and the company has cut its Greek capacity by 30 per cent since last year. Airtours is trying to reduce its dependence on UK bookings which still account for half of sales. Scandinavia and Canada make up a growing chunk of business.

The balance sheet has been bolstered by the £100m investment by Carnival corporation of the US which has a near 30 per cent stake.

The group has also contracted out

all its information technology operations to EDS of the US which will take control of Airtours booking systems. With cruise bookings soaring and longer-haul holidays popular, the outlook is set fair providing the industry keeps its head and does not add capacity next year. Mr Crossland says he expects capacity to remain constant in 1997, though it takes only one to break ranks and cause havoc. Analysts expect profits of £7.1m for the full year. The shares, a penny higher at 51.5p, trade on a forward rating of 15. Hold.

Certainly, a dividend yield of under 6 per cent is hardly a generous compensation for such a high degree of regulatory and political risk.

On the other hand, buying Sydco provides Hyder with a firm base for continued dividend increases along the lines of the 14 per cent rise in last year's payout to 33.5p. A real rise of more than 10 per cent is pretty attractive when it is probably sustainable well into the future. But so it should be, given the risks. High enough.

### Windfall tax rider to Hyder

If Hyder can achieve the £100m of savings it suggested yesterday, the takeover earlier this year by Welsh Water of Swaledale will have done its job for shareholders. That is just as well, because having blazed the merger trail, the combined group, like United Utilities in the North-west, has in effect bowed out of the speculation bubbling under the rest of the water and electricity sectors.

With the takeover fresh likely to boost the shares, attention focused yesterday on the extent of the proposed cost-cutting measures and the size of future dividend increases. The cuts were better than expected, while

A day earlier and it would have looked seriously out of kilter with the rest of the high street which has been basking in the glow of upbeat pronouncements on consumer spending. As it was the shares slid only a couple of pence to 180p.

There was nothing here to indicate that a Body Shop revival is round the corner. In the first three months of the current year, group sales were 14 per cent higher, but that includes 34 new openings which takes the total to 1,407 at the end of May.

Strip those out and like-for-like sales were as flat as a pancake. UK sales did not rise at all which compares badly with some recent bullish figures from rivals.

In the United States the problems continue with comparative sales down 5 per cent. The only glimmer is still the international markets which registered a 4 per cent sales increase.

Herein lies the problem. Body Shop says that the Far East and other "rest of the world" regions will prove ready markets for continued footfall and fragrant mud packs. But the biggest concentrations of Body Shop stores are either in the UK or the US. If these markets are performing poorly it drags the rest down.

The American business recorded a loss last year though it says improved ranges and better advertising will help. The number of new US openings has been scaled back to 14 this year.

The Roddicks may be holding out the olive branch to the City with promises of higher dividends but it needs to deliver trading improvements, too.

The shares jumped 19p back in May when the company announced a 42 per cent increase in the payout but they have gone nowhere since. Analysts were leaving their profit forecasts unchanged yesterday at 240m which puts the shares on a forward rating of 14. Not exactly exciting but unlikely to go anywhere until there are genuine signs of a recovery in the American operations.

**THE INDEPENDENT**

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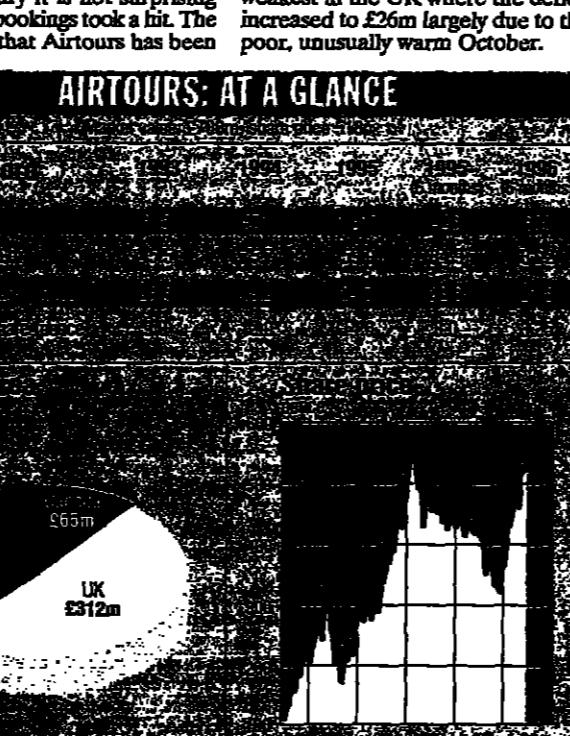
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### Body Shop revival on hold

Announcing a gloomy trading statement on the same day as rather disappointing May retail sales figures was helpful to Body Shop yesterday.

الدليل من الأصل



## COMMENT

The Panel's fiercely protective reaction to the proposed European directive on takeovers is an entirely predictable and to some extent justified one'

## Takeover Panel thinks it can hold back the tide

**T**here has always been a strong Eurosceptic tendency within the City. Anything that comes out of Brussels or Europe tends to get treated with the utmost suspicion, even among those now answerable to German and French masters. This might seem natural enough for a community of self interest whose allegiance even to its own country is open to doubt, let alone anywhere else. But there is more to it than that. The fact of the matter is that if there is one thing where Britain reigns supreme in Europe, it is in wholesale financial markets. On the whole, the rest of Europe is not only no good at it, but in many respects it is culturally and institutionally averse to it. Nasty Anglo-Saxons on speculators - that's the general Continental view of the City. And it's mainly jealousy.

The Takeover Panel's fiercely protective reaction to the proposed European directive on takeovers is therefore an entirely predictable and to some extent justified one. Contested takeovers are uncommon on the Continent and in some countries they are virtually unheard of. Where they do occur - and you have to think here mainly of Italy - there is often widespread abuse. Britain, on the other hand, has long experience of them, and although its system of non-statutory regulation leaves a lot to be desired, it doesn't seem to work too badly. The idea that Brussels has anything to teach Britain about the regulation of takeovers, is plainly nonsense.

The directive itself is on the face of it a pretty innocuous one, the product of so much fudge, compromise and redrafting that it seems scarcely worth the paper it is written on. Many of its main elements and principles are borrowed from the British Takeover code anyway; it is also so vague that the ordinary business of the Panel probably won't be affected. Why then is the Panel so worked up about it?

The Panel's concern boils down to two issues. The first is that the directive would require statutory enactment (only in Britain, you understand, because nobody else is going to bother) which in turn would create legal rights. The Panel's decisions could thus be more easily challenged through the courts. Rulings in other countries would have to be accommodated within the British regulatory framework, however inappropriate to it they might be. The second is that provision would have to be made for compensation against cases of regulatory failure.

Most people wouldn't find much difficulty with either of these concepts but to the Panel they are anathema. According to the Panel, the first would greatly increase the cost and slow the process of takeovers. In some cases prolonged litigation would halt them entirely to the detriment of shareholder interests. Speed, flexibility and certainty, the strengths of the present system, would be lost. As for compensation, the idea that the Panel could itself be held negligent

and liable is plainly too much to take for the gentlemen who run it.

The Panel is probably right about this directive; it looks like another piece of unnecessary meddling from Brussels. The problem is that it's kicking up a fuss about it. The Panel has refocused the spot light on its own less than exemplary record. Self regulation is in many respects a fine thing, but it suffers from some obvious failings. Self regulation also tends to be self interested regulation. And here, it is the interests of City practitioners, and the lucrative source of revenue that takeovers provide them with, as much as those of shareholders, that the Panel is designed to protect.

Self interested regulation is often another way of saying lax regulation. It was the Panel, don't forget, which rehabilitated the ghestly Jim Raper. When he for a second time ran off with the loot, there was no compensation for those that had relied on the Panel's stamp of approval. More seriously, it was the Panel that lorded it over an unparalleled period of sharp practices and abuse in the mid-1980s, culminating finally in the Guinness scandal. There was compensation paid out on this occasion, but, to turn the Panel's arguments against it, only because of the threat of prolonged litigation. It wasn't the Panel as such which secured it. More recently, the Panel gave its blessing to a lucrative little corporate finance wheeze that another regulator, the SIB, later found to be tantamount to insider dealing.

It is the eternal lot of regulators that you see only the failures; the great raft of successes go largely unnoticed. Nonetheless, the Panel is being a little like King Canute in believing it can hold back the tide of international and statutory regulation. Today's markets are global, and today's takeovers, increasingly cross border. By defending its own little system against foreign encroachment, the City risks irrelevance and impotence. The Takeover Panel gains nothing by burying its head in the sand. Much better to ensure that the codes and practices so painstakingly evolved in Britain over the past thirty years become the standard for Europe. Our Continental partners are certainly in need of them.

to bring some regulatory control to the over-the-counter copper markets, a tall order since this is a world wide business. Perhaps most important of all, the review will look at how large customers of member firms of the LME can be brought under some form of regulatory control.

But in other respects, this is likely to prove an unsatisfactory exercise. Some of the people it most needs to talk to are under no obligation to talk at all. Sumitomo has made clear it will cooperate, but that will be voluntary and there will be nothing to stop it walking away if it is offended. If this had been a domestic scandal, there would by now be powerful calls for an independent inquiry not just into the lessons of what happened but into the causes. An attempt at full post mortem would already be under way.

The problem is that until it is known why Sumitomo lost so much and how the market rigging went on unchecked for so long, it will be hard for anybody to be really confident that the solutions are appropriate. Whether a wider inquiry is possible given the international nature of this affair, is open to question. The murkiest secrets of the whole affair may well be found in Japan rather than New York or London, and the Japanese are not going to open their books to the world unless it suits them. Any criminal actions will take years in the courts. The sad truth is that what actually happened here is likely to remain the subject of speculation and hearsay.

**Income setback:** First figures since privatisation show £190m profit but reveal problem in goods services

## Railtrack results hit by freight revenue dip

CHRISTIAN WOLMAR  
Transport correspondent

A surprisingly sharp drop in income from railfreight cast a shadow over the publication of Railtrack's first profit figures since privatisation last month.

The bulk of Railtrack's £2.3m income is determined by the regulator who sets the formula by which train operators pay for use of the track and stations, most of which comes from Government subsidy.

However, freight revenue, one of the variable elements in Railtrack's income stream, showed a worrying dip from £191m to £158m, mainly as a result of reduced prices on long-term contracts which run out in 1998.

Railtrack said it now thinks "these contracts are on a commercial footing", though it faces a difficult period of negotiation with English, Scottish and Welsh Railways, the subsidiary of Wisconsin Central which now owns the main freight companies.

Railfreight is one of the few op-

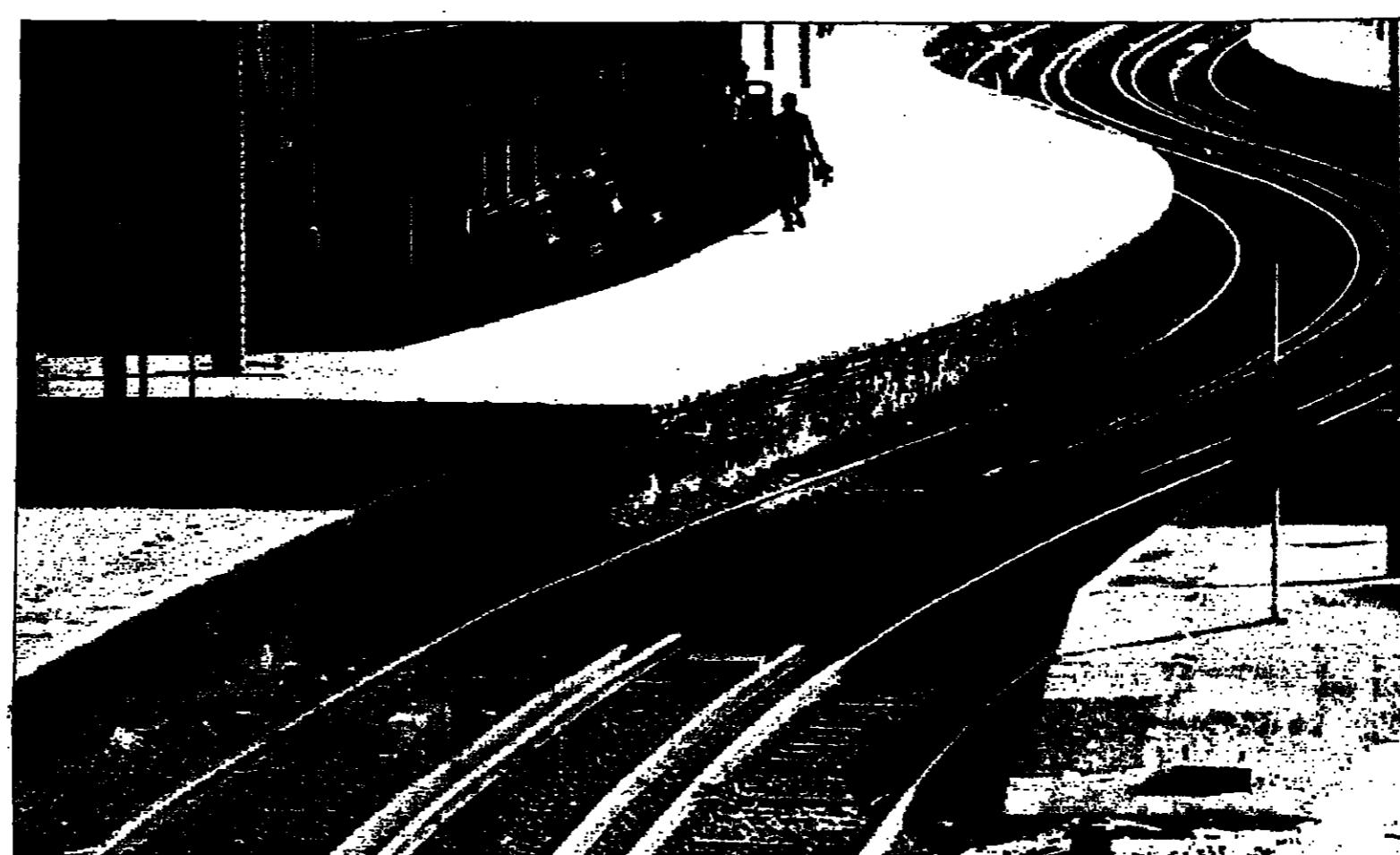
portunities for growth in Railtrack income, as passenger service levels vary little from year to year because of the inflexibility of the new structure of the railways under privatisation.

The regulator has set a formula of retail price inflation, minus 2 per cent for access charges over the next five years.

Railtrack confirmed that its pre-tax profit for the year to March 31, the last under public ownership, was £190m. Shareholders will receive a dividend of 13.75p per share payable on October 4.

Property rental income, which also has scope for unregulated growth in the short term, was almost the same as in the previous year at £12m.

Railtrack is committed to spending £76m on refurbishing all its 2,500 stations over the next five years as part of its annual £1bn per year investment expenditure. However, a spokesman for Railtrack said these improvements would not result in increased rents.



Commitment: Railtrack is planning to spend some £760m on station refurbishments over the next five years

Bob Horton, Railtrack's chairman, said Railtrack was becoming more efficient and that its operations had become "progressively more functionally focused, commercially adept and more closely related to the needs of the customers".

However, he said work was still

needed to change the industry's culture to make it even more responsive to customer needs.

The regulatory regime also required a strict control on costs. Mr Horton said, which will also help to pay for what the company terms a "progressive dividend policy".

The company accepts that there will be job losses from its 11,500-strong workforce. However, most of the savings will result from squeezing contracts with the newly-privatised infrastructure companies which provide track maintenance and which account for the bulk of

Railtrack's £2bn operating costs.

Clare Short, the shadow Transport Secretary, said Railtrack's figures were misleading: "This is taxpayers' money masquerading as Railtrack profit. Public subsidy into the privatised has had to increase in order to make

their corrupt system appear profitable."

Labour has said it will impose a stricter regulatory regime on Railtrack but has yet to flesh out how. Some details may emerge today when Ms Short launches Labour's document on transport policy at a London conference.

### IN BRIEF

• Five tobacco companies were sued in separate class actions filed in the New York State Supreme Court on behalf of all New York residents addicted to nicotine, lawyers in the case said. The suits, which seek unspecified damages, name Philip Morris, RJ Reynolds, Lorillard and two BAT subsidiaries, Brown & Williamson and American Tobacco.

• The Investors Compensation Scheme, the safety net for victims of fraud and bad advice, has accepted a package worth up to £7.5m from Cheltenham & Gloucester, the former building society now owned by Lloyds Bank, in settlement of a legal battle over the sale of home income plans. The agreement benefits more than 300 borrowers who took out C&G mortgages in the late 1980s.

• German business confidence edged up last month in the latest sign to encourage hopes of a recovery in Europe's biggest economy. The business climate index published by research institute Ifo improved in May for both east and west Germany for the second month running. The index for the west improved to 92.3 from 91.9, and for the east to 103.2 from 103.0.

• Chris Wright, chairman of Chrysalis, yesterday raised £6.3m to fund a possible takeover of Queens Park Rangers Football Club. Mr Wright wants to merge QPR and Wasps rugby club into a single publicly quoted sports company sharing QPR's Loftus Road stadium. Yesterday he sold a 4.5 per cent stake in the music company he founded at 525p per share. He still holds 42.7 per cent of the company after the sale.

• Jarvis Hotels increased the indicative offer price range to 150-180p per ordinary share from 150-170p after heavy demand for the placing. Jarvis said its market capitalisation will be £290.4m based on the new mid-range price. The intermediary's offer closes at 1100 GMT today and the placing at 1600 GMT. Conditional deals on the London stock exchange are expected to start at 0730 GMT on June 21.

• China cut its stake in Cathay Pacific Airways by 2.6 per cent, less than two months after breaking the British hold on Hong Kong's airline industry. Analysts said the move by the state-owned China National Aviation Corp to sell a 2.6 per cent stake in Cathay has triggered concerns that it may set up its own rival airline in the territory in competition with Cathay after the territory reverts to China next year. CNAF will use the proceeds from the sale to fund last week's HK\$1.97bn purchase of a 35.9 per cent stake in regional airline Dragonair.

• Moulinex's restructuring plan calling for 2,600 job cuts over the next three years is "not acceptable in its current form," French Industry Minister Franck Borotra told the National Assembly yesterday. "The elimination of 2,600 jobs, 2,100 of them in France, is a group that employs 11,500 people, and the closure of two plants looks excessive to us," he said.

• Tele-Communications Inc, the US cable giant, plans to spin off its direct broadcast satellite subsidiary. The move is intended to be a tax-free transaction and is expected to be completed by the fourth quarter, pending regulatory approval. TCI will not retain any equity interest in the new company.

## Labour fires at Hyder profits

TOM STEVENSON  
City Editor

Hyder, the combined utility group formed by the takeover of Swalec by Welsh Water, said yesterday it would cut 900 jobs and save £100m a year in costs by 2000. The news, which surprised and pleased analysts, was condemned by the Labour Party, which confirmed its pledge to impose a windfall tax on water privatisation.

Frank Dobson, shadow environment secretary, said: "Profits and dividends for the Welsh Water monopoly remain scandalously high. They are further damning evidence of the scandal of water privatisation."

"Welsh Water has put profits before customers. The bosses at Welsh Water should be spending their time solving the problem of leakage instead of squeezing profits out of the consumer and being distracted by mergers and company restructuring."



Tapping into big savings: Iain Evans, chairman

The continuing row between the water industry and Labour blew up as Hyder reported a 14 per cent increase in its annual dividend for the year to March to 33.9p.

It promised continued,

above-inflation increases in the payout by refusing to give any firm details on the dividend.

Turnover in the year rose 25 per cent to £651.6m, after including a two-month contribution from Swalec which was acquired in January. Profit before interest and an exceptional charge of £25m to cover the acquisition and a reorganisation of Welsh Water was £183.6m, up 17 per cent.

Welsh Water bought Swalec for £900m two months after North West Water bought Norweb in the first multi-utility deal. Two other electricity companies are bidding for Southern Water, convinced of the cost cuts and competitive advantages of offering more than one service.

"Swalec was a sound acquisition, creating substantial benefits and delivering enhanced shareholder value which provides a platform for enhanced

real dividend growth," said chairman Iain Evans. The shares closed 5p higher at 723p.

Paul Twamley, finance director, said half the savings would come from job cuts, the rest from reducing overheads through integrating services such as billing, information technology procurement and customer services. "If you do that once instead of twice you save a fortune," he added.

Hyder said it was reviewing the future of Swalec's non-core businesses, which include a 40 per cent stake in a cable company, a stake in a Teesside power station and property investments.

As part of its restructuring following the takeover of Swalec, Hyder has set up a new combined facilities management company. Hyder Services currently employs 1,700 staff from which the company has promised cuts of 450 over the next three years.

## Panel attacks Brussels bid plans

TOM STEVENSON  
City Editor

The Takeover Panel yesterday launched its latest salvo to prevent Brussels interfering in domestic bids and deals by issuing a vehement attack on a proposed EU directive that would replace Britain's current non-statutory system of takeover regulation.

The directive would also create a new, strictly legal framework for mergers and acquisitions. The Panel's offensive against the directive, which replaces a previous failed attempt to harmonise European takeover rules five years ago, coincides with the completion of consultation periods at both the De-

partment of Trade and Industry and the House of Lords European sub-committee. Unless the directive is blocked it is scheduled for implementation in April 1998.

Noel Hinton, deputy director general of the Takeover Panel, said the proposed directive, put forward by the European Commission in February, was a recipe for tactical litigation in takeover bids and called for the continuation of a non-legal system that had, he claimed, served British shareholders well since the City Code on Takeovers was introduced 28 years ago.

He added: "We have a tried and tested system of regulating the conduct of takeover bids

which works very well, in large measure because it is non-statutory, whose well-being and continued functioning would be jeopardised by the consequences of adopting this directive."

The Panel believes that because takeovers are fast-moving and complex, and throw up a wide variety of unique circumstances, a rigid set of legal requirements would be inappropriate and lead to costly and disruptive litigation which would ultimately discourage takeovers.

The Panel also believes that, with the vast majority of European bids carried out in the UK, a British regulatory authority is better placed to provide efficient supervision.

As well as throwing the current flexible system of regulation into jeopardy, the Panel also believes a proposed right to compensation, in the case of a breach of takeover rules, is inappropriate: "What is necessary is the ability to act quickly to remedy a potential breach rather than seek to recompense a person after the event, when it might well be too late."

The latest European Commission proposal replaces an earlier version, which was put forward in 1989 and formed part of a programme of measures featured in the 1985 White Paper on the completion of the Internal Market.

The latest European Commission proposal replaces an earlier version, which was put forward in 1989 and formed part of a programme of measures featured in the 1985 White Paper on the completion of the Internal Market.

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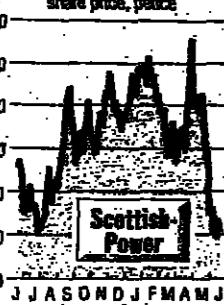
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28,443 bargains
Gilt Index
92.03 + 0.11

## SHARE SPOTLIGHT



## ScottishPower stirs in hazy, crazy, lazy days of summer

## TAKING STOCK

ScottishPower could be on the verge of generating a new bid for Southern Water.

Its first offer, worth £1.56bn when it was launched last month, has already stretched the group and it will struggle to lift its new bid much above the £1.6bn counter from Southern Electric.

The SE offer is structured to be worth 1,013p a Southern Water share. The talk is that ScottishPower may go to 1,020p, possibly 1,030p.

The Scottish group's shares have fallen from 338p since it produced its bid. They touched 304p on Tuesday, rallying 6p to 311p yesterday.

SE was a shadower firmer at 674p and Southern Water was little changed at 987p.

The rest of the stock market was almost lost in a haze of summer sunshine and sporting attractions.

Trading was again at a low ebb with the appeal of Royal

Ascot and the lingering impact of England's Euro '94 Cup win proving decisive influences.

There was, however, enough energy left for the market to brush aside Whitehall's flat sales statistics for last month. There was a tendency to pay more attention to the recent upbeat retail survey from the Confederation of British Industry and the shop floor evidence from various retailing groups.

The May retail sales also prompted thoughts that the Chancellor could be tempted into another interest rate cut, a possibility which helped sendiment.

Even so the market could not disguise its lacklustre attitude which left the FT-SE 100 index down 3.2 points at 3,753.2.

BTR fell 3p to 256p in busy trading as the market prepared for negative analyst meetings next week.

Granada was the best-performing blue chip, gaining 20p to 869p with Kleinwort Benson providing much of the impetus.

In a bulletin on the leisure industry - *A Golden Age for Hospitality* - analyst Paul Slattery suggested Granada could hit 900p if it completes its Forte disposal programme and continues to achieve expected growth targets.

The arrival of Abu Dhabi's investment arm at Manchester United with a 4 per cent shareholding helped the football club to recover from the impact of last week's directors' share sales with the price moving 18p to 459p.

British Biotech had an

## MARKET REPORT

### DEREK PAIN

Stock market reporter of the year

eventful session with the sale of nearly 1.2 million shares at 2,427p sending the price tumbling 27p.

But towards the close an army of buyers signalled their willingness to take on shares and the price ended 30p up at 2,620p.

Cable & Wireless gained 7.5p to 427.5p on its £50m Asia Windfall and ABN Amro Hoare Govett support. Kingfisher enjoyed a push from UBS, improving 9p to 639p. Grenfell, the pub group about to be ousted from Footsie, rose 11.5p to 590p on SBC Warburg support.

Albert Fisher, the food group, held at 47p. Rumours

that chairman Stephen Walls was to step down into a non-executive role were denied by the company.

Charter, selling its 65.3 per cent holding in Cape, the industrial group, fell 34p to 916p. Rutland Trust, the entrepreneurial group, is acquiring 25 per cent of Cape at 130p a share with most of the rest of Charter's stake bound for institutions. Cape was firm at 166p and Rutland held at 54p.

Johnson Matthey, the metals group, slipped 2p to 628p with Warburg thought to have some of the Minerva state still on its books.

ADT, the Bermuda-based security group run by Michael Ashcroft, eased 23p to 1,195p as it produced an 824.9m share exchange offer for Antostated Security, up 8p at 39p.

Elys, the Wimbledon department store where a furious bid battle rages, stayed at 690p as Morley's Stoves, an un-

quoted London department store chain, lifted its bid to 700p, topping an offer from Panther Securities by 15p.

Castors, the furniture retailer, was suspended at 175p. It is in talks with Ellways, a chain of home furnishing shops, controlled by the family of Lord Harris, of Cartwright fame.

Two constituents of AIM's first anniversary celebrations, Cresc, supplying generators for medical imaging, said it had lost a contract and half-time losses increased to £398,000. The shares fell 17p to 72p; they were 157p last year. Memory Corporation, hit by the fall in chip prices, lost another 10p to 85p, against 553p last year.

Dame Petroleum, with exploration interests in the former Soviet Union, put on 0.5p to 10.5p; the shares were 7p last week. Rumours of a strike are going the rounds.

## Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items. Other details: Ex rights x Dividend; A Ex all; U United Securities Market; S Suspended; op Party Paid pm NI Paid Share; + All Stock

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## Market leaders: Top 20 volumes

Rank	Name	Stock	Value	Stock	Value	Stock	Value
1	Ches & Wm	500000	£1	Rob Roy	620000	Rob Roy	620000
2	Standard	500000	£1	Rediffusion	500000	Rediffusion	500000
3	Amico	500000	£1	Spartan	500000	Spartan	500000
4	NEA Group	500000	£1	Gascoigne	500000	Gascoigne	500000
5	Tele 701	500000	£1	Ritzy Steel	500000	Ritzy Steel	500000
6	Briton	500000	£1	Oceanus	500000	Oceanus	500000
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## FTSE 100 Index hour by hour

Open	28/6/94 down 27	11.00 5253.7 down 27	15.00 5252.4 down 10
08.00 5252.5 down 35		12.00 5254.5 down 21	
10.00 5252.4 down 32		13.00 5253.2 down 15	

Close 5253.2 down 32

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Close 5253.2 down 32

## FTSE 100 index hour by hour

Open	28/6/94 down 27	11.00 52

# Euro standards set to expose UK's hidden economy

The process of Euro-harmonisation reaches into all kinds of nooks and crannies of British life. One of the more obscure is the compilation of economic statistics. Unlike vexed issues like EU demands for straight bananas, this is not the stuff of headlines. But it will have far more of an impact on our lives. What we measure has an important effect on what we think about the economy.

The Office for National Statistics is undertaking several related projects in order to meet European national accounts standards set last year. The one on which commentators have focused is including estimates of criminal activities in measures of GDP.

The EU requirement is for an estimate of criminal activities between consenting parties – in effect, drugs and prostitution.

Much of the hidden economy consists of legitimate activity that is simply hidden from the eyes of the tax or trading standards authorities. This includes, for example, builders who omit to pay all the VAT due on repair work, or the self-employed cleaners who do not report some of the income they receive in cash. There is nothing illegal about the business itself.

This means that statisticians can actually get a pretty good idea of its extent from other measures. For example, cleaners might under-declare their income to the Inland Revenue but the people hiring them have no reason to under-report their expenditure. By comparing the expenditure, income and output measures of GDP – which should all be the same but are not – it is possible to estimate the size of the hidden economy.

According to last year's national accounts, it is running at about 1.25 per



ECONOMIC VIEW  
DIANE COYLE

cent of GDP, or some £7bn to £8bn. This is down from 1.5 per cent in 1981, and as much as 3 per cent in the mid-1970s.

It is relatively small scale and decline in importance run against the conventional wisdom that the hidden economy is booming. But official statisticians describe recent estimates that it accounts for more than 10 per cent of GDP as "futile".

The popular view derives from the fact that some areas of the economy – car-boot sales, self-employment and so on – have grown enormously. But they are not very hidden.

Deregulation means that things that might have been illegal a decade ago are not now. What would once have been a sweatshop counts now as one of the thriving small businesses that is making Britain the enterprise centre for Europe.

Publication of figures on intangibles will present a much clearer picture of the strengths of the economy, and will probably show the UK in a good light. We are pretty good at cultural assets and programme.

The focus on intangibles lies in with a new report from the Organisation for Economic Co-operation and Development on accounting for "human capital" – or in other words, measuring what people know.

The industrial economies are becoming increasingly dominated by knowledge and its related industries. Accounting for software, however, is

the ONS's updating its methods for measuring some of the more hidden bits of the hidden economy, but does not expect to have to make big adjustments to the GDP figures, unlike Italy, which found an extra 16 per cent of GDP in the mid-1980s, enabling it to overtake the UK as Europe's third biggest economy.

The big changes to our national statistics will stem from the less well-publicised European standards. There are several categories of these. One of the most significant will be the inclusion of intangible assets for the first time.

These range from computer software to artistic and cultural assets right up to the National Gallery. Spending on such items will count as investment. There are so few measurements of items like these that they are effectively far more hidden than what we normally think of as the hidden economy.

Publication of figures on intangibles will present a much clearer picture of the strengths of the economy, and will probably show the UK in a good light. We are pretty good at cultural assets and programme.

The technique has existed since the early days of national accounting and has been widely used for developing countries. It has been revived because of a new interest in the impact of economic activity on different sectors of the community. It will allow a much more refined analysis of Government

easy compared to accounting for brain power.

Meanwhile, another controversial and important change to European standards that could have a huge effect on Britain's GDP is a new method for estimating the financial services industry. Currently its output is measured indirectly, mainly by looking at how many inputs it uses – much like the measurement of public services.

The Euro-method will involve measuring something more like value added in financial services based on interest margins earned by financial intermediaries. Thirdly, mineral exploration will no longer be treated as current expenditure but as part of the capital account.

There will also be presentational changes designed to make the statistics more useful for the purposes of economic policy. All the anecdotal evidence suggests that the non-profit sector is growing by leaps and bounds.

More fundamentally, the ONS will start to publish a social accounting matrix. The national accounts, like a double entry book-keeping system, present the same information twice – one person's expenditure is another's income. A social accounting matrix can give the information as one cell in a grid of income and expenditure, just as the little-used input-output tables show purchases and sales by industry groups. The grid can be presented in as fine a detail as necessary.

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Intangible asset: EU accounts guidelines will count spending on the National Gallery as investment

policy.

The distributional impact of tax changes will be clearer, for instance, or the tightness of the labour market at different skill levels.

All the planned changes go some way towards making the national accounts a more useful measure of well-being in a modern economy.

However, radical critics would like to count some activities – such as crime – as a cost to the economy rather than an addition to GDP, as the Euro-standard proposes.

They would like to measure the household and voluntary economy, so far excluded from standard statistics because it is too hard to measure something for which there is no market value. As a separate exercise springing from the Beijing women's conference, official statisticians are working on measuring household production.

Environmentalists would like to include costs such as the depletion of North Sea oil or the spread of pollution. The ONS is to publish a

"satellite" set of environmental accounts next month rather than incorporating the green critique into the entire national accounts.

But national accounting is, after all, more than 60 years old. Within a few years official statisticians will no doubt be publishing figures that do reflect important economic shifts.

When the numbers are available they will have a radical effect on the way we think about the economy. And who knows – intangible Britain might even allow us to overtake Italy again.

## Foreign Exchange Rates

Sterling			Dollar		
Country	Spot	1 month	3 months	Spot	1 month
US	15438	6.4	1000	—	—
Canada	2109	11.3	50.37	13674	2.1
Germany	23476	51.44	152	15207	26.24
France	79839	136	20	394-363	73-68
Japan	23860	58.73	169	13545	44.51
UK	1204	75.70	225-212	10534	45.44
Belgium	1204	75.29	120	12034	7.8
Denmark	60.03	15.21	22.59	59.54	6.5
Netherlands	2857	6.62	206-202	17047	5.55
Ireland	19722	7.3	20.14	15887	4.7
Norway	10233	120	310-200	8516	49.17
Spain	15921	21.31	69-68	223-221	3.24
Sweden	12483	0.6	1.7	12883	55.93
Switzerland	13925	54.4	165-152	12786	37.34
Australia*	15581	20.31	67-65	12822	54.45
Hong Kong	1930	10.11	24-27	7408	2.2
Malaysia	33487	0.0	4.20	24830	60-50
New Zealand	22853	43.57	133-135	14802	30-32
Saudi Arabia	57801	0.0	0.0	37505	2.7
Singapore	2725	0.0	0.0	14073	41-30

Forward rates quoted high to low at a discount; subtract from spot rate.

Rate quoted low to high at a premium.

\*Dollar rates quoted as reciprocal.

For the latest foreign exchange rates call 0891 123 3033.

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## The Best Measure?

Source: ONS, 1995

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# sport

## Seles' shoulder still a sore point

### Tennis

JOHN ROBERTS  
reports from Eastbourne

Her grunting may have intimidated the seagulls, but all was not well with Monica Seles at the Direct Line Insurance Championships here yesterday. Although she successfully negotiated her first match on a grass court for four years, 6-2, 6-4, she neither looked nor spoke like the second favourite for Wimbledon.

It is not an exaggeration to say that Seles has a weight on her shoulder. She is worried that a tear in the socket of her serving arm will handicap her first appearance at the All England Club since being overwhelmed by Steffi Graf in the final on 4 July 1992.

In addition to the physical problem, Seles is concerned that she is unable to hold her concentration as a result of the stop-go nature of her comeback since recovering from being stabbed in 1993.

"The match toughness is not there," Seles said, who was an-

oyed, in particular, that she had failed to break serve in two games in the second set in which she held a 40-0 lead against her American compatriot, Meredith McGrath.

Her mind wandered away from the court," Seles said. "I won't be able to do that at Wimbledon."

It is worth pointing out that McGrath, ranked No 29 in the world, is good enough on grass to have won the title here in 1994 and to have beaten Nathalie Tauziat in the final of the DFS Classic at Edgbaston last Sunday.

While pleased to have saved 10 break points yesterday, McGrath acknowledged that she did not do enough to press Seles, either by attacking the net or luring her opponent into difficulty with drop shots. "I didn't do the things I needed to do to beat her, but she was hitting the ball so deep," McGrath said. "I guess I was just outplayed."

McGrath, who had never encountered Seles before, did not sense that her opponent's shots were being delivered by a dodgy shoulder. "I was more in tune with what was going on my

side of the court than how here body felt," she said. "From where I was standing, she did not seem to hold back too much."

Seles said the condition of her shoulder had not been helped by practising and playing with balls which she found to be heavier than those used at the French Open, where she lost to Jana Novotna in the quarter-finals. "I hope the weather at Wimbledon will be sunny and that the damp doesn't make the balls even so heavy that they kill my shoulder."

Seles, who had a bye in the first round, now plays Gorroategui in the quarter-finals. The 23-year-old Argentinian, who has been prone to injuries this year, surprised everyone yesterday by winning her first match of the season, 6-2, 6-3. Her opponent was the American seventh seed, Lori McNeil, who sensed the sensation of Wimbledon two years ago by eliminating Graf, the defending champion, in the first round.

Chanda Rubin, seeded No 7 for Wimbledon, retired during her match against Lisa Raymond, an American compatriot, after aggravating the tendon injury in her right wrist which caused her to miss the French Open.

"I definitely don't want to jeopardise Wimbledon," said Rubin, who decided not to risk worsening the injury further after losing the opening set, 6-3. "I'll have to decide whether to go back home to see my own doctor or to see a doctor in London."

■ Jennifer Capriati put her

comeback on hold yet again

when the 20-year-old American

waited out a rain delay at

Tony's Diner in London.

Capriati, who did not feel

ready to compete at Grand

Slam level.

### Rusedski in last eight

Greg Rusedski, the British No 2, and Mark Petchey, winner at Beckenham two weeks ago, gave Britain more success with straight-set wins at the Nottingham Open grass-court event yesterday.

Rusedski eventually beat Martin Damm of the Czech Republic 6-3, 7-6 after needing six set points to take the first set.

Rusedski's win puts him into a quarter-final match against Japan's Shuzo Matsuka, runner-up on grass at Queen's Club four years ago. Matsuka won 6-4, 6-2 against the Span-

ish eighth seed, Alex Corretja.

Mark Petchey then beat the Australian Patrick Rafter 6-3, 6-4. Petchey, the world No 243, came into the tournament through a wild card but he never looked in trouble against the Australian who is ranked No 78.

Petchey now plays Sandon Stolle, another Australian, who beat Alexander Volkov of Russia 6-3, 6-4. The two have met twice before – in Newport and Wigan – with the Briton triumphing on both occasions in three-set matches.

■ Eighth seed, Alex Corretja.

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**ROYAL ASCOT:** France's top rider is composed for the Coronation but Lucayan Prince needs persuasion to arrive for his big day

## Peslier so steady on Shake

RICHARD EDMONDSON  
reports from Ascot

**It was a scramble, but Shake The Yoke got there in the Coronation Stakes yesterday. Success, a late-gained success, for the French filly was yet further proof that Olivier Peslier has graduated to the top level of Europe's jockeys.**

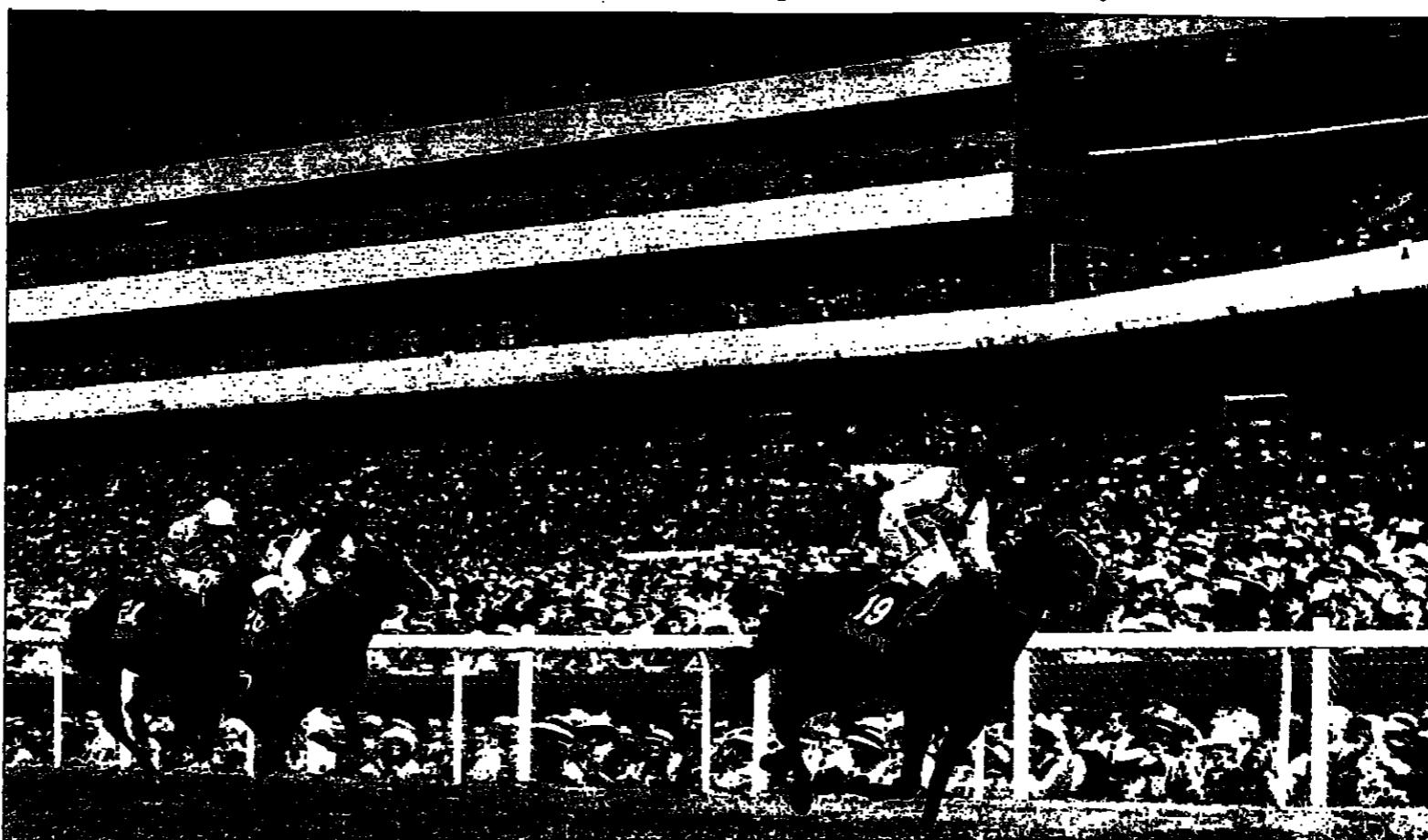
The Frenchman has but a dozen rides in Britain in his log yet he has already mastered the different disciplines of riding within these shores. On the Continent, the tendency is to dawdle in the early stages, the jockeys whistling skywards before making a dart in the straight; here the runners go from the off as if a jaguar is crouched above the starting stalls. It all comes alike to Peslier. "It is no problem," the rider said. "I have ridden in Japan where they go very fast."

Such confidence would not have been shared by all Shake The Yoke's supporters (including one punter who staked £10,000) as the filly swung into the straight with considerable ground to make up on the pace-making Dance Design. Peslier's instincts were proved correct as the runners met the roar, his partner collecting the lead 100 yards out and repelling Last Second, who left her challenge as late as her name suggests.

**RICHARD EDMONDSON  
NAP: Old School House  
(Southwell 5.10)  
NB: Harbour Dues  
(Royal Ascot 5.30)**

A similar admonishment should be delivered to anyone who ignores the Chantilly trainer's runners in Britain. He has now saddled six winners for a 50 per cent strike-rate.

While Shake The Yoke was a popular winner as an even-money favourite, the day began with the sort of results that have punters climbing out on to window ledges. The winners of the first two events could not be found in the form book, though they would have been obvious to scholars of the greatest book of all. The last shall be first was the sentiment as both Lucayan Prince and Dance Parade gave their rivals a head start before pouncing in the final furlong.



Yeast rises to the Ascot occasion as he comes home clear of 30 rivals in yesterday's Royal Hunt Cup

Lucayan Prince was sent off 50-1 shot for the Jersey Stakes, which were outrageous odds for a runner from David Loder's yard. In normal times there would a shorter price if the Newmarket man saddled his own, but this has been a spring of discontent at Sefton Lodge. An undetectable virus is still squaring at Loder's stables, invisibly infecting the string. "In February the horses looked magnificent, they were in great form, training well, but then in March I just watched them grow fat," Loder added. "But he is a difficult ride."

The riding performance of

100 per cent and blood-tested 100 per cent but it wasn't working in the races. Some of them still have it."

It might be safe to assume that Lucayan Prince has recuperated. However, he has other problems. A horse of consummate brilliance on the gallops, his racecourse displays suggested he had skin clamped to each leg. Yesterday changed all that. "The horse has shown a tremendous amount of ability ever since he was a two-year-old," Loder added. "But he has much chance to stop then."

Dance Parade scooted away from her more fancied stablemate, More Silver, the favourite. Cole was not hugely surprised by this lacklustre offering as More Silver was breathing irregularly at home,

Richard Hughes was therefore asked by the number of bounces to which Elizabeth Taylor is accustomed. The Irishman's presence appeared a complex model of how to persuade a thoroughbred home, but Hughes himself had a more rustic explanation for his mount's success. "I just gave him three smacks around the backside as hard as I could and away we went," he said. "He hadn't much chance to stop then."

Dance Parade was a moreathomable proposition in the Queen Mary Stakes as she started at 8-1, but as she was one of

three runners from Paul Cole's yard, and not the most fancied, the air was hardly thick with top hats. The Whatcombe trainer's stable survived a thunderous storm two weeks ago, when Cole was perhaps the least troubled by the tempest. "I was a little worried, but I'd just finished a half bottle of wine so that took the edge off it," he said.

Dance Parade scooted away

from her more fancied stablemate, More Silver, the favourite.

Cole was not hugely

surprised by this lacklustre offering as More Silver was

breathing irregularly at home,

Photograph: Howard Boylan

despite returning satisfactory tests. "I was tempted to take her out but I couldn't find a reason," he said. Punters would not have been in distress to be in receipt of this information.

Nevertheless, this was a training achievement of some merit from Cole, who also saddled

the runner-up Dame Laura

and who has now captured all five Royal Ascot juvenile events.

William Haggas has some

way to go to match that, but the

Derby-winning trainer recorded his first Royal meeting success when Yeast made virtually all in the Royal Hunt Cup.

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Photograph: Howard Boylan

## Classic end to Double dream

JOHN COBB

For Mark Johnston, victory with Double Trigger in today's Gold Cup would cap a remarkable week after his success with Bijou D'Inde in the first of Royal Ascot's three Group One races, the St James's Palace Stakes, on Tuesday.

Double Trigger has an outstanding chance of notching a second success at the highest level this week for his Middleham-based trainer. He was a comfortable five-lengths winner of this event last year and went on to become only the fourth horse to land the stayer's 'triple crown'. And he has shown no sign of waning powers this year, putting up a top-notch performance in the Henry II Stakes at Sandown and scoring easily by seven lengths.

But while he dominates the stayer's division, the suspicion remains that he could be vulnerable to a top-class horse with proven middle-distance form. Step Up to Classic Cliche (3.45), last year's St Leger winner, whose Yorkshire Cup success last time has been made to look very useful by the subsequent Group One success of the runner-up, Strategic Choice.

Magnificent Style will be a short price for the Ribblesdale Stakes and the Nijinsky filly Nimotcha (3.30), from a stable with a fine record in this race, is preferred. Afral (4.20) is another improving sort likely to start at double-figure odds who can upset calculations in the Cork and Orrery Stakes.

**ROYAL ASCOT**

**2.30: MAGNIFICENT STYLE**, who beat the subsequent Prix de Diane winner, Silv, by a comfortable 1½ lengths in the Musidora Stakes over an extended 10 furlongs at York last month, is likely to repeat his long-term trend, although the track prefers a softer surface, should he have to boat. The Irish rider, Key Changes, and the French representative, Tiphaine, may prove the most formidable opponents.

**3.05: FOR YOUR EYES ONLY**, who demonstrated that he is well suited by a stiff five-furlong and firm ground when winning at Newmarket's Curragh on Saturday, is due to get another chance when running in the last seven days. Alessandra (3.30) won at Chepstow on Thursday.

**DISTANCE RUNNERS** (without British): Double Trigger (5.15), Brambles Abbey (4.20). Pleasant Surprise (5.00) has been sent 240 miles by M Johnson from Middleham, North Yorkshire; My Melody Parker (4.30) sent 256 miles by Jerry from Cottenham, Lancashire.

**2.30: ROYAL ASCOT**

**HYPERION'S TIPS**

would come as little surprise to see the son of Salee comprehensively outclassed by the selection in the last half mile. Nonouito has some fair form in France but it is hard to see him or any of the other four runners having the class to seriously trouble the principals.

**3.45: DOUBLE TRIGGER**, who

looked better than ever when run-

ning away with the Henry II Stakes over two miles at Sandown last time, should repeat last year's huge-ly impressive success. Classic Cliche, the easy winner of last year's St Leger at Doncaster, is the

one to watch when running in the York race on his reappearance.

He is undoubtedly very smart at 3½ miles, but the 2½ miles is a com-

pletely different proposition. It

would be a surprise to see the

son of Salee comprehensively out-

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half mile. Nonouito has some fair

form in France but it is hard to see

him or any of the other four run-

ners having the class to seriously

trouble the principals.

**4.30: IKTAMAL**, who found Lin-

field's sharp six furlongs an inade-

quate test with a highly creditable

length win at Sandown last

month, should be a good choice of his

self. Mischief, off course since

winning impressively at Newmar-

ket's Curragh, is the danger.

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over two miles at Sandown last time,

should repeat last year's huge-

ly impressive success. Classic

Cliche, the easy winner of last

year's St Leger at Doncaster, is the

one to watch when running in the

York race on his reappearance.

He is undoubtedly very smart at 3½ miles, but the 2½ miles is a com-

pletely different proposition. It

would be a surprise to see the

son of Salee comprehensively out-

classed by the selection in the last

half mile. Nonouito has some fair

form in France but it is hard to see

him or any of the other four run-

ners having the class to seriously

trouble the principals.

**5.30: KING GEORGE V STAKES (HANDICAP) (CLASS B)** £35,000 added

**5.30: THE GOLD CUP – 10-YEAR-TALE**

&lt;p

## sport

# So how was it for you?

**JOHN MAJOR**

CHELSEA FAN (AND PRIME MINISTER)

No 10 spokesman: "The Prime Minister was working last night, but in between meetings he managed to keep popping in to keep up with the score. He was delighted with the result."

**TONY BLAIR**

LEADER OF THE OPPOSITION

A stunning victory. With this new momentum and confidence, the team should be able to go all the way.

**JOHN PEEL**

RADIO 1 DJ

It was a stoutly wonderful performance. Last time we played the Dutch, a mate phoned up afterwards from Amsterdam to revel in our discomfiture. Last night I thought the most subtle thing to do was not phone him. As I'm a quarter Scottish I found it grievously disappointing. The last thing anyone wanted was for them to be cast as plucky losers again, but it seems that's what's happened.

**ANDONI GOICOECHEA**

SPANISH ASSISTANT COACH

Yesterday they put their fans in their pockets. It was the performance of the tournament. I hope they find it difficult to repeat.

**RAY WILKINS**

QPR MANAGER

Bring on anyone now. If we can produce that again against Spain it will frighten them to death. I was an extremely proud man. The fans and the team lit up the stadium and the players were quite wonderful. Taking apart one of the favourites – and I mean taking apart – was tremendous. The third goal was magnificent.

**DAVE SEXTON**

ENGLAND UNDER-21 COACH

There's a long way to go as far as the tournament is concerned and we have to keep our feet on the ground. But I'm delighted and it was the manner of the performance which was pleasing, the movement and combination.

**TERRY BUNKER**

PLYMOUTH TRAWLER SKIPPER

We want to see the Spaniards kicked into touch. We will be at sea when the match kicks off on Saturday, but I will be listening on the radio for an England win over the Spanish. I do not particularly like football, but I shall be following that match just to see them kicked to death.

**D****SINGER WITH MASSIVE ATTACK**

Apparently, the future is not orange.

**JIMMY ARMFIELD**

FORMER ENGLAND CAPTAIN

Now England are through we come to the hard part, but being in the last eight is already a big plus. I played the tape back of England's win in the early hours of the morning and the work-rate among the players was exceptional. It's the best since 1990 when I thought we were going to win the World Cup.

**TONY CAMACHO**

SPOKESMAN AT KLM ROYAL DUTCH AIRLINES, LONDON

We have had some people over from head office, and their view is that they are here to enjoy themselves. They have been singing "Always Look on the Bright Side of Life" in English – and these are Dutch people. These guys watch BBC1 and BBC2 at home and they are all into Skinner and Baddele.

**THE QUEEN**

Buckingham Palace spokesman: "I don't know. I've got no idea what television programmes the Queen watches."

**UNILEVER**

LONDON SPOKESMAN

We had our views on the game and they [the Dutch HQ] had theirs. I haven't spoken to our Rotterdam office yet this morning. I'm not sure whether to give them a ring.

**GRAHAM THORPE**

ENGLAND CRICKETER

It was a fantastic night. There was a great feeling of national pride and we want to carry it on and win as well in this Test. If we are in the field on Saturday I'm sure the crowd will be letting us know if England score against Spain.

'I like your Gascoigne. He is very strong and he does not mind waving his arms about to make sure he gets through' Seve Ballesteros

The English revelled in it, the Dutch were stunned by it and the Scots could hardly believe they were enjoying it. But nobody who saw England's stunning victory over the Netherlands will forget it

Teddy Sheringham salutes the Wembley crowd after scoring his first and England's second goal against the Netherlands.

Photograph:  
David Ashdown**THE ROYAL NETHERLANDS EMBASSY**

SPOKESMAN

The majority of the people here are Dutch and the feeling is one of utter disappointment and disbelief. We all enjoyed the great show by the English. They played like they had wings. Most people here are very critical of the Dutch performance. Of course we are relieved to be going on to the second round – but with a feeling that we have been very lucky.

**KENNETH CLARKE**

CHANCELLOR OF THE EXCHEQUER

This was the best performance by an England side that I've seen since 1966. The Netherlands have one of the best teams in the world and they were completely devastated by England in the second half. I'm even beginning to believe that England are capable of winning Euro 96 – something I didn't believe before this game.

**DOMINIK DIAMOND**

RADIO PRESENTER AND CELTIC SUPPORTER

I was watching the England game but I stole a BT Euro 96 pager from Broadcasting House, so I'm constantly updated on all the results. When England were 4-0 up we were dancing on the tables. When Kluitenberg scored, it was the same feeling as when Mel Gibson got hung, drawn and quartered at the end of *Braveheart*. It may be sacrilegious, but I'll be supporting England wholeheartedly from now on.

**STEVE COPPELL**

FORMER ENGLAND WINGER

I was commentator on the radio and I jumped out of my seat a little bit when the goals started to go in. I have to say I was wonderfully surprised by it all and the standard of football was fantastic.

Research: Nick Harris and Timarp

**euro-spy**

EDITED BY RUPERT METCALF

**A century full of class and quality**

The presence of four high-quality teams in Group B made it certain that we would be bidding farewell to some very special players when that section concluded its fixtures. One such player is Gheorghe Hagi.

Thirteen years ago a crowd of under 9,000 at Oslo's Ullevaal stadium saw the start of an outstanding international career when Hagi made his debut in midfield for Romania at the age of 18. Cap No 10 arrived at Elland Road on Tuesday, where Romania's 2-1 loss to Spain, their third defeat of Euro 96, brought their tourname-

**Double dose of despair for Dutch**

RUPERT METCALF AND ALAN NIXON

After Tuesday's 4-1 defeat by England, the Dutch team were labelled "the laughing stock of Euro 96" by the Netherlands' best-selling newspaper, *De Telegraaf*, yesterday.

"Shocking, bewildering, disgraceful and scandalous," *De Telegraaf* continued, adding: "Never has a team appeared so keen to be dumped out of a tournament. The Dutch team is the joke of Euro 96."

Dutch correspondents dug deep into their record books to find that the defeat was the Netherlands' heaviest for 21 years. "Dutch dull guests at English soccer party," said the broadsheet *De Volkskrant*, recalling the last time, in 1975, that the Dutch lost by three goals, in Poland.

A similar approach came from *Algemeen Dagblad*: "The Dutch were humiliated by England... and should be ashamed." Only by virtue of scoring more goals than Scotland did the Netherlands manage to squeeze into the quarter-finals, where they will meet France on Saturday.

It is purely used to combat jitters although I understand it's used as an anti-ageing drug in the US." Double added, "but it isn't a sleeping tablet, and nobody is using it now."

The FA and the police are also investigating the theft of about 1,000 Euro 96 Anfield quarter-final tickets, worth about £50,000, which were stolen from a tour operator's car in Birmingham on Tuesday. "The tickets have already been cancelled and will not be reissued," Chief Inspector David Wilson, of Merseyside Police, said. "Any fans found with these tickets will not be allowed into the ground and could face police action."

Sunderland's ambitious bid to

**FA denies claims of England drug abuse**

RUPERT METCALF AND ALAN NIXON

The Football Association yesterday described as "spurious" claims that England's Euro 96 players have been using an illegal sleeping pill. It was reported that the England players were using a herbal-based sleeping tablet named Melatonin, a drug claimed to be on the Medicine Control Agency's banned list.

Steve Double, a spokesman for the FA, said that the report was inaccurate, misleading and entirely untrue. "We did use a substance called Melatonin during the trip to the Far East last month," he said, "but that was because it is an anti-jet-lag pill, something taken by all the British athletes and Continental footballers when they go on long-haul flights."

It is purely used to combat jetlag although I understand it's used as an anti-ageing drug in the US." Double added, "but it isn't a sleeping tablet, and nobody is using it now."

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said. "Any fans found with these tickets will not be allowed into the ground and could face police action."

Sunderland's ambitious bid to

**Bravehearts fail to grab their gift horses**

Phil Shaw on the lessons the unlucky Scots must learn

In the end it all turned on the involuntary intervention of an English elbow and a Dutchman's debt right foot. Yet when Craig Brown analyses the anatomy of Scotland's exit he would be advised to resist the feeling that fortune did not favour his brave hearts.

In the aftermath of his team's 1-0 victory over Switzerland at Villa Park, which left the Netherlands ahead by virtue of scoring more goals, the Scotland manager referred more than once to their lack of luck.

Brown was still thinking, no doubt, of the moment at Wembley when David Seaman stopped the Gary McAllister penalty which, in all probability, would have reduced Patrick Kluitenberg's place-saver to the status of a consolation goal.

Gary Speed, the Leeds and Wales midfielder, is expected to complete his £1.5m move to Everton tomorrow, despite a late approach from Newcastle.

Another Swede, Leeds United's Tomas Brolin, is the subject of a £3.5m bid from the Italian Serie A club Sampdoria, who have many millions of lire to spend following the £9m sale of Enrico Chiesa to Parma. Brolin's former club, Brolin, has had an unhappy time at Leeds and the club will cut their losses on a move originally estimated at a record £4.75m.

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said. "Any fans found with these tickets will not be allowed into the ground and could face police action."

amassed in qualifying, also rendered the non-selection of Richard Gough a non-issue.

In midfield, McAllister was a colossus. After Wembley he reckoned he owed the team the game of his life. He owed nobody anything. The strain of an arduous season, in which he played 64 high-pressure games, caught up with him when the applause of the Swiss fans brought him to tears. But the Leeds captain showed he has the enduring class and strength to grace the *Mondiale* in 1998.

Collins and Stuart McCall both enhanced reputations largely built north of the wall, and it was "only" in the middle-to-front area that Scotland suffered by comparison with their Group A rivals. The presence of Duncan Ferguson, a giant target man with a tanned player's touch, would have been an enormous advantage. If the Scots were unlucky, it was in the Everton striker's unavailability.

Ferguson must come into the reckoning next season, when Brown's task will be to freshen up a squad with an average age of nearly 30 (and whose aggregate age was exactly 100 years more than the Dutch). Stalwarts such as Stewart McKimie, Gordon Durie and McCoist are likely to be

come more marginal, while the integration of players like Arsenal's Scott Marshall and Celtic's Jackie McNamara would help Scotland accentuate the positive aspects of their latest heroic "failure".

**Venables deals nicely with the twin impostors**

COMMENTARY

KEN JONES

In the euphoric aftermath of Tuesday's quite remarkable victory, Terry Venables must have been tempted to display an air of smug satisfaction. If vilified in newspapers, having his integrity questioned and called a fraud, as Venables was by one deeply prejudiced critic, most men, I think, would have round the temptation of raising two fingers irre sistible.

Leaving aside Venables' subjective mishandling of the scandals that broke around England's squad before a ball was kicked in Euro 96 and the questionable decision to prepare for matches in China and Hong Kong, he was no less of a coach before securing a place in the quarter-finals.

Of all the appointments in sport few carry such an overwhelming sense of national responsibility as being coach of England, and as Venables has recently been called to account by avowed patriots, his predicament is precisely that identified by Alf Ramsey when coming under heavy fire after failing to qualify England for the 1974 World Cup finals. Managers get too much credit and therefore too much blame, the hero of 1966 said shortly before the Football Association fired him.

Stupidly, taking no account of the fact that Venables will hand over to Glenn Hoddle once England's fate is settled, one critic called for his dismissal after a poor performance in the opening group game against Switzerland. Equally foolish is the suddenly rampant idea that England are a major force in the game. "Discretion is not what I expect from the press and television, nor from our supporters," Helmut Schön said when preparing West Germany for the 1974 World Cup finals. His successors, including the national hero, Franz Beckenbauer, came under even greater pressure. Berti Vogts has Germany looking good in this championship but unless he wins it he will be considered a failure.

The flags were flying high around England yesterday but what will the reaction be if they fail to get past Spain on Saturday? Certainly, Venables would not get much sympathy. On a June afternoon in 1984 I watched Bobby Robson trudge miserably to the dressing-room at Wembley, withered by soon after England had been outplayed by the Soviet Union, their third defeat in four matches. He would go on to come within a penalty shoot-out of reaching the World Cup final six years later and win the championships of the Netherlands and Portugal.

This is not to make a case for Venables but simply to enter a plea for perspective. The team Venables sent out on Tuesday showed no changes from his first selection. There have been one or two switches in deployment but no radical change of policy. That it exceeded all expectations was due to individual advances in form and confidence.

These are the national coach cannot greatly influence but for which he is held ultimately responsible. It is like blaming the composer when a pianist hits a bum note.

**Danes are dismissed despite w**

**Amor has two reasons for celebration**

EURO 96  
RIP-OFFS

No 10: Pint of strong bitter in pub near Old Trafford: £2.20. Normal price: £1.60.  
Have you come across any monster rip-offs? If so, fax details to Euro-spy on 0171 293 2894.

الآن



*At Lord's, the pitch is at its best for batting on the first two days, whereafter it quickens, with the bounce becoming less even as the surface wears without really encouraging spin'*

DEREK PRINGLE on the importance of winning the toss for today's second Test 27

## England enjoy rare outpourings of admiration

### Football

GLENN MOORE

Confidence, that most elusive yet valuable of football qualities, has settled upon England's Bushy Abbey training camp like a force field around the Starship Enterprise. It was there in the way Robbie Fowler nonchalantly juggled a drinking bottle in training yesterday; it was there in the overhead kick from which David Platt scored in a three-a-side practice match; and it was there

in Teddy Sheringham and Terry Venables contrasting reactions to England's astounding 4-1 defeat of the Netherlands on Tuesday night.

Sheringham, who has long had a difficult relationship with the media, was unable to resist sounding a note of 'I told you so' when he faced them. Last summer, he was mildly ridiculed for suggesting England were in the same class as Brazil – five days before Brazil won 3-1 at Wembley.

Bolstered by the evidence of Tuesday night, he returned to the theme yesterday. 'I still believe that,' he said. 'I can't be-

lieve you guys run us down, look at the quality of some of the players in our side. If other countries had players like McManaman, Anderson, Gascoigne, Shearer you would be writing "you have got to watch out for him and him". We are just as capable as the other sides.' Point taken.

Venables, who has had an even worse hand from some quarters, preferred to wait his moment. Ever since he became England coach he has followed Kipling's strictures about the twin impostors and, having refused to be despondent in the bad times, he was not about to

be carried away by the good. 'I am very, very pleased,' he said. 'The players did exceptionally well, but we have another game coming up.'

To that end he had been on to the BBC before he had even left Wembley on Tuesday for tapes of Spain's match with Romania and England's with the Netherlands. After training yesterday after taking out his notebook and studied them, looking for clues.

'People have said to me "did

it all just click on the night?" he said of Tuesday. 'Things don't just "come right" against a team like the Netherlands. You have to work on them.'

Much of that work involved Steve McManaman and Sheringham, getting them to cause problems for the Dutch with their movement around Alan Shearer. The training – and the results – had, Venables said, impressed a group of UEFA delegates who had come to watch England prepare. 'They spoke very highly of us,' he said. That was nice as one of my aims was to get the respect back, for teams to fear being drawn against us.'

So, had the FA's International Committee been down to see what he was doing? 'No,' replied the coach, with a look that suggested he was more like

ly to receive a visit from Lord Lucas.

Tuesday must have been a mixed evening for some Englishman. Judged on his team's football, the FA's decision not to re-engage Venables looks increasingly foolhardy. If this keeps up, there will be calls for those responsible to be brought to account.

Venables himself insisted he had 'no regrets' but he admitted: 'There is an element of sadness. I am envious of [Glenn Hoddle] being able to work with the young players coming through. I always said I was disappointed to leave.'

they going to match that' but they were even better. It does help, it enables people to give that little bit more. But you have to keep your heads and do your job as well.'

Venables then went to conduct an interview in fluent Spanish. Having given – as Gunes Hiddink admitted – 'a lesson' to one of his mentor countries he must now overturn another. 'They have not lost since the World Cup and I have great respect for them and their manager,' El Eto said. Still saying the right things, whatever the language.

European Championships, pages 26 and 27

## Portugal take advantage of slack Croatia

JON CULLEY

reports from the City Ground  
Portugal 3  
Croatia 0

Portugal swept to a comfortable victory here against a team much changed by Croatia, who seemed to concede Group D to their opponents, who now play a quarter-final against the Group C runners-up at Villa Park on Sunday.

Croatia's attitude seemed clear from the moment Miroslav Blazevic announced a line-up minus seven members of the team that had so impressively dismantled the champions, Denmark, at Hillsborough. The missing faces included both scorers there, Davor Suker and Zvonimir Boban, as well as the influential Derby-bound Aljosa Asanovic, and his new club

mate, Igor Stimac, all of whom were rested.

This not only seriously undermined the prospect of a genuinely meaningful contest but cannot have gone down well with the Danes, whose only hope of survival depended on Croatian winning.

The odds against such an outcome lengthened in only the fourth minute. Carlos Secretario, the Portuguese right-back, exchanged passes with Joao Pinto to just inside Croatia's half before driving hard towards the corner flag. He then delivered a cross which found Luis Figo unmarked. Taking the ball on his chest, the Portuguese forward prodded it past Marijan Mrnic, the reserve goalkeeper.

After 32 minutes Portugal doubled their lead, at which point the match and the group was effectively settled. It was a lovely goal, the product of instinct rather than design. Fernando Couto, rising to meet Figo's cor-

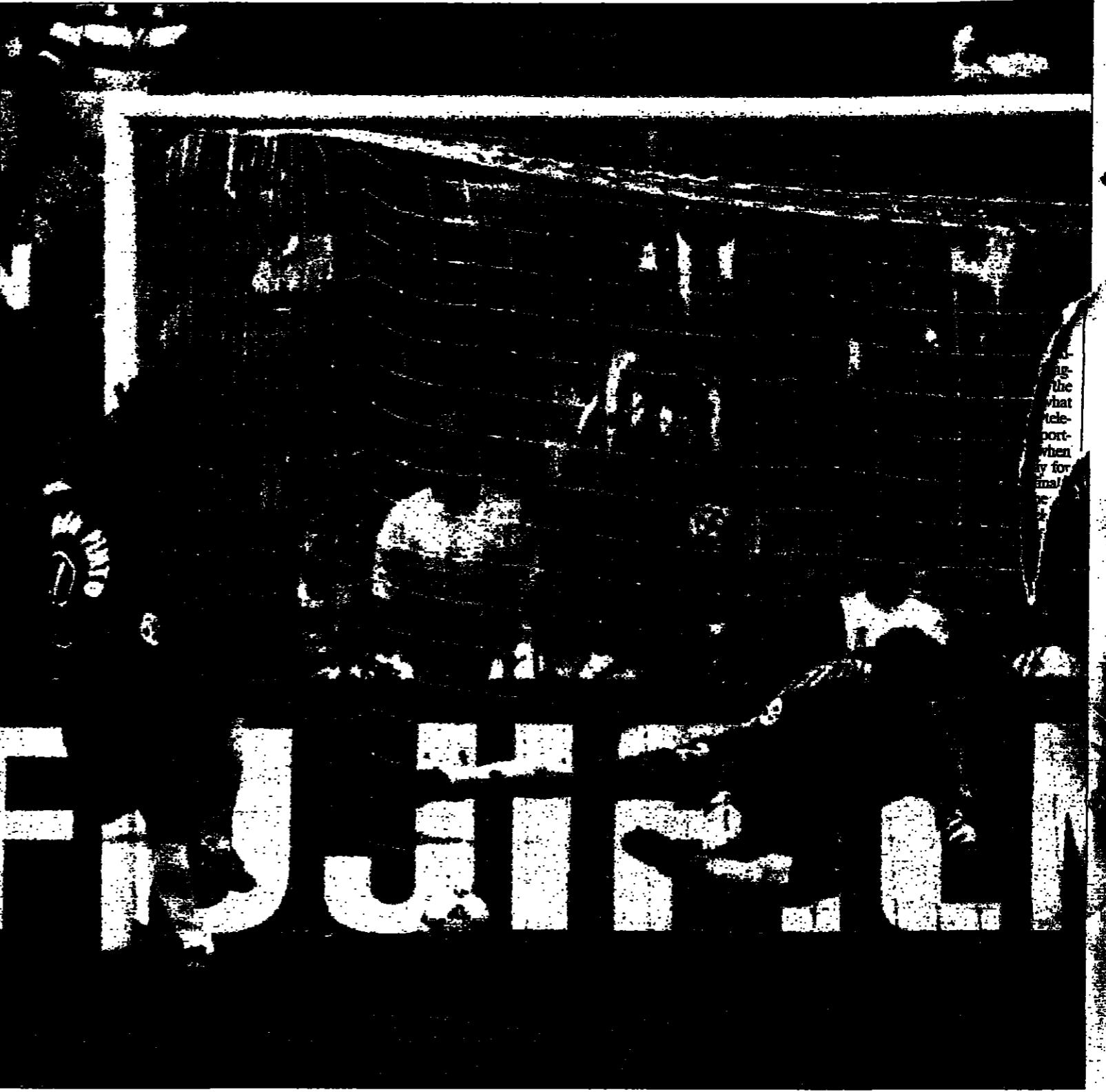
ner from the right, did not make good contact, sending the ball away from goal, but Ricardo Sa Pinto, to his left, retrieved the situation with a brilliant overhead kick, setting up Joao Pinto to side-foot home from close range.

This was impudence too much to take, it seemed, for the Croat second string, for whom Dubravko Pavicic, a menacingly shaven-headed centre-back, was booked for a dreadful foul on Joao Pinto, who reacted with more than a hint of exaggeration.

Blazevic made sweeping changes for the second period, restoring Suker, Boban and Asanovic in one move. Not that it made any worthwhile difference and one has to question the tactical wisdom of upsetting a team's rhythm wilfully during a tournament. At least, unlike his Italian counterpart, Blazevic made sure he qualified first.

The Portuguese could coast now and it was not until only 14 minutes remained that Vitor Baia, their goalkeeper, had to make a noteworthy save, pushing an Asanovic shot around his left-hand post.

Then Portugal scored again, through a combination of good fortune and good finishing. Domingos, a half-time substitute, racing through on the left after Pavicic's attempted clearance cannoned off Slaven Bilic before clipping a diagonal shot in off the far post.



Wrong way: Goalkeeper Marijan Mrnic dives in vain as Joao Pinto drives in Portugal's second goal yesterday

Photograph: Ben Radford/Allsport

### THE INDEPENDENT CROSSWORD

#### Word wise?

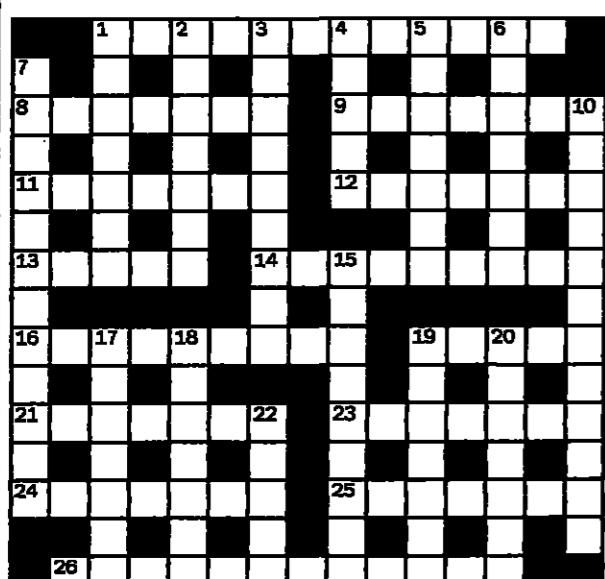
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No. 3018, Thursday 20 June

By Mass

Wednesday's Solution



- ACROSS  
1 Desire to move others maybe lessens with onset of senility (12)  
2 Clothing showing no alterations (7)  
3 Deity with instrument cut in dish (7)  
11 Transport takes time (hour) in roundabout way (7)  
12 Tell the king (7)  
13 Hint of sinuous in dry blow (5)  
14 Old person – one wearing German habit, reportedly (9)  
16 Beast's back, Edward, is covered with scaly plates (9)  
19 Small seal presented to the European apprentice (5)
- DOWN  
1 Push the boat out from Italy, moored a lively resort (7)  
2 Plague outbreak's enveloping county (7)  
3 A politician, Liberal, in gentle illuminating form (9)

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Group A		Group B		Group C	
FINAL TABLE		FINAL TABLE		FINAL TABLE	
England	W	Portugal	W	Spain	W
Netherlands	L	Denmark	L	Portugal	L
Scotland	L	Spain	L	Spain	L
Germany	L	Portugal	L	Portugal	L
Belgium	L	Denmark	L	Portugal	L
Australia	L	Portugal	L	Portugal	L
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